

AD Aerospace Limited
Company Registration No. 03034197 (England And Wales)
Financial Statements
Year Ended 30 September 2022

AD AEROSPACE LIMITED

COMPANY INFORMATION

Directors	J Cowburn M Einollahi S Einollahi A Manahan J Vella A Merrett S Moxon
Company number	03034197
Registered office	Electra House Pepper Road Stockport Cheshire SK7 5BW
Auditor	WR Partners Drake House Gadbrook Park Northwich Cheshire CW9 7RA

AD AEROSPACE LIMITED

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AD AEROSPACE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		92,095		184,191
Tangible assets	4		136,936		203,045
			<u>229,031</u>		<u>387,236</u>
Current assets					
Stocks		810,952		1,089,498	
Debtors	5	1,204,632		744,171	
Cash at bank and in hand		987,065		544,138	
		<u>3,002,649</u>		<u>2,377,807</u>	
Creditors: amounts falling due within one year					
	6	(915,953)		(668,574)	
Net current assets			<u>2,086,696</u>		<u>1,709,233</u>
Net assets			<u>2,315,727</u>		<u>2,096,469</u>
Capital and reserves					
Called up share capital			50,001		50,001
Share premium account			199		199
Profit and loss reserves			2,265,527		2,046,269
Total equity			<u>2,315,727</u>		<u>2,096,469</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

S Einollahi
Director

Company Registration No. 03034197

AD AEROSPACE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 October 2020	50,001	199	1,971,839	2,022,039
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	74,430	74,430
Balance at 30 September 2021	50,001	199	2,046,269	2,096,469
Year ended 30 September 2022:				
Profit and total comprehensive income for the year	-	-	719,258	719,258
Dividends	-	-	(500,000)	(500,000)
Balance at 30 September 2022	50,001	199	2,265,527	2,315,727

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

AD Aerospace Limited is a private company limited by shares incorporated in England and Wales. The registered office is Electra House, Pepper Road, Stockport, Cheshire, SK7 5BW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of the business and assets of Cabin Avionics Limited over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at fair value.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	In accordance with the lease term
Computers	33% on cost
Motor vehicles	50% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

1.8 Derivatives

Derivatives, being 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 the income statement. The company does not currently apply hedge accounting for foreign exchange derivatives.

1.9 Taxation

The tax credit represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profits for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	12	14
	==	==

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3 Intangible fixed assets				Goodwill
				£
Cost				
At 1 October 2021 and 30 September 2022				276,287
Amortisation and impairment				
At 1 October 2021				92,096
Amortisation charged for the year				92,096
At 30 September 2022				184,192
Carrying amount				
At 30 September 2022				92,095
At 30 September 2021				184,191
4 Tangible fixed assets				
		Land and buildings	Plant and machinery etc	Total
		£	£	£
Cost				
At 1 October 2021		451,211	11,585	462,796
Additions		96,531	-	96,531
At 30 September 2022		547,742	11,585	559,327
Depreciation and impairment				
At 1 October 2021		248,166	11,585	259,751
Depreciation charged in the year		162,640	-	162,640
At 30 September 2022		410,806	11,585	422,391
Carrying amount				
At 30 September 2022		136,936	-	136,936
At 30 September 2021		203,045	-	203,045

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Debtors	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	922,242	387,558
Corporation tax recoverable	-	201,071
Amounts owed by group undertakings	128,541	33,030
Other debtors	153,849	122,512
	<u>1,204,632</u>	<u>744,171</u>

6 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	90,771	50,925
Amounts owed to group undertakings	187,074	355,739
Corporation tax	100,000	-
Other taxation and social security	10,835	9,572
Other creditors	527,273	252,338
	<u>915,953</u>	<u>668,574</u>

7 Cash at bank and in hand

Included within cash and cash equivalents is £80,761 (2021 - £10,000) of collateral held by a broker in relation to variation margin on forward foreign exchange contracts open at the year end.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

Fran Johnson BSc BFP FCA

Statutory Auditor:

WR Partners

AD AEROSPACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Within one year	153,490	76,745
Between two and five years	38,373	345,352
	<u>191,863</u>	<u>422,097</u>
	<u><u>191,863</u></u>	<u><u>422,097</u></u>

10 Parent company

The immediate parent undertaking is Mythra Limited, a company incorporated in England and Wales.

The ultimate controlling party is Maghsoud Einollahi.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Mythra Limited. Copies of the Mythra Limited consolidated financial statements can be obtained from Companies House.

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.