

Aerospars 2000 Limited

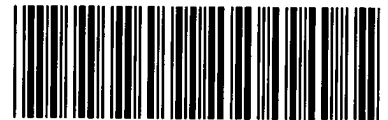
Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 04021429

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Aerospars 2000 Limited

Company Information

Directors	G M Agnew J G Davis H W Gregson R R Nagel A M Nemenyi
Company secretary	A M Nemenyi
Registered number	04021429
Registered office	3 Caxton Way Watford Business Park Watford Hertfordshire WD18 8UA
Independent auditor	BDO LLP Newton House Cambridge Business Park Cambridge CB4 0WZ

Aerospars 2000 Limited

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Aerospars 2000 Limited

Strategic Report For the Year Ended 31 December 2020

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2020.

Fair review of the business

The principal activity of the Company is the provision of stock and distribution of components to the aviation industry.

The aviation materials marketplace was challenged dramatically during the year as COVID 19 significantly impacted the volume of air traffic and thus demand for commercial spares requirements. The Global airline industry has experienced a 43% year over year reduction in flights flown. The Company's main focus during this year has been to continue to support their key customers, minimise financial risk and exposure, whilst still investing and implementing in its strategic plans and initiatives. This should enable the Company to take advantage of future opportunities and therefore emerge in a stronger market position. COVID 19 is a temporary set-back, flight activity will return and so will demand in the sector.

Principal risks and uncertainties

At the date of approval of the financial statements, COVID 19 continues to impact the volume of air traffic although flight activity is continuing to trend upwards with the industry and company expectation that this improvement will continue and reach 2019 flight activity levels by 2022. It is accepted however that although activity is trending upwards it could still have the occasional blip. The global roll-out of vaccines, emerging new virus variants and the differing approaches by which countries are trying to prevent the virus spread across borders are the biggest drivers of the speed and trajectory of the activity levels. Although leisure traffic is increasing the return of business travel globally will be minimal until 2022. Long-haul routes will take longer to recover than short-haul ones. In that regard, the company is well placed with their inventory focus and expertise. Opportunities are likely as competitors struggle to survive, quality of service suffers and current relationships fracture. The Company will target customer development with well capitalised end users to position for account growth. The Company in 2021 will be cash generative in a difficult market in part due to the low level of overheads and lean culture whilst also forging ahead with its longer-term strategic initiatives to support future growth. The Company continues to scan and manage the various market uncertainties taking appropriate steps to mitigate the impacts on the business by reducing costs where possible, modifying business practices and reviewing its ongoing requirements with lenders and shareholders. The shareholders and lenders are very supportive of the company and fully expect a complete recovery to pre-pandemic growth plans.

Financial risk management

The Company's operations expose it to a variety of financial risks that include currency risk, credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

Currency Risk

The Company conducts substantially all of its business in US Dollars, the currency that the international commercial aviation industry uses in order to set market prices for goods and services. For this reason, the Company is exposed to risk from exchange rate fluctuations when converting US Dollars to Pounds Sterling, which it needs to defray certain administrative overhead expenses. The Company mitigates the risk by operating various foreign currency bank accounts.

Credit & Liquidity Risk

The Company actively maintains a mixture of long-term and short-term debt finance that ensures that the Company has sufficient available funds for the Company's operation and future expansion plans. Working capital is monitored and managed to ensure that cash receivables from debtors is available within a timely manner that allows credit obligations to be met.

Aerospars 2000 Limited

Strategic Report (continued) For the Year Ended 31 December 2020

Financial key performance indicators

The directors monitors the performance of the Company using the following key performance indicators (KPI's):

	2020	2019
Sales (decrease)/growth	(40.79)%	3.25%
Gross margin	34.40%	34.01%
Pre-tax margin	11.17%	26.36%
Employee growth	(16.67)%	14.28%
Sales per employee	\$1,228,102	\$1,839,284
Net profit per employee before tax	\$137,209	\$484,883

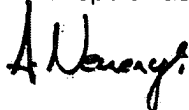
Other key performance indicators

As reported in the statement of comprehensive income on page 10, the Company achieved sales of \$21,902,429 for the year (2019 - \$44,142,830), gross profit of \$7,439,143 (2019 - \$15,011,046) and a pre-tax profit of \$3,870,895 (2019 - \$11,637,196). Net assets increased by \$3.5m from \$23.7m to \$27.2m.

Other

The Company plans further growth and will explore both organic and acquisitive routes to achieve this.

This report was approved by the board on 18/11/2021 and signed on its behalf.



A M Nemenyi
Director

Aerospars 2000 Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the company during the year remained that of supplying civil aircraft spare-parts to a global customer base consisting of airlines and maintenance companies.

Results and dividends

The profit for the year, after taxation, amounted to \$3,489,245 (2019 - \$9,360,853).

The company paid a dividend of \$Nil during the year (2019 - \$15,020,000).

Directors

The directors who served during the year were:

G M Agnew
J G Davis
H W Gregson
R R Nagel
A M Nemenyi

Going concern

Due to the nature of the company's trade, being the provision of spare parts to the aviation industry which has been severely impacted by COVID-19, the company is reliant on the continued availability of its existing borrowing facilities in order to continue as a going concern.

Both of the company's lenders have agreed to new amended covenants covering the period from September 2021 to December 2022; the directors have prepared profit and cash flow forecasts for the next 12 months and have concluded that the company and group will be able to comply with the revised covenants and will be able to continue to operate within the available borrowing facilities throughout that period. The directors have also prepared sensitised forecasts to allow for the eventuality that the group's trading may underperform expectations, and the directors remain satisfied that the group will still be able to operate within the available facilities and meet the revised covenants for at least the next 12 months.

Please note however, while restrictions on air travel is continuing to ease around the world as more people are vaccinated against COVID-19, that there has been significant disruption to the global economy and the airline industry due to the ongoing impacts of COVID-19 the full impact of which cannot be determined with certainty. As seen across the global landscape, this ongoing event carries with it uncertainty that may impact the company's future profitability, and which by extension could result in changes to the intentions of both the company's lenders and its shareholders to continue to provide the required financial support. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Financial instruments

Financial instruments and financial risk management

The company's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main financial risks arising from these financial instruments are currency, credit and liquidity risk.

The financial risks arising from these financial instruments are considered to be low because of the nature of the industry structure and its culture. The company proactively manages all aspects of its work in order to either remove or reduce any financial risks. The company does not use any financial derivatives.

Aerospars 2000 Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Financial risk management objectives and policies are included in the strategic report under principal risks and uncertainties.

Future developments

The company is planning continued organic growth by making use of its strong liquid position and the larger warehouse facilities at its new headquarters.

Disclosure of information to auditor

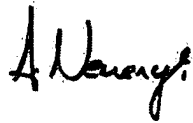
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18/11/2021 and signed on its behalf.



A M Nemenyi
Director

Aerospars 2000 Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2020

The directors are responsible for preparing the strategic report, the directors' 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). 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 then 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.

Aerospars 2000 Limited

Independent Auditor's Report to the Members of Aerospars 2000 Limited

Opinion on the financial statements

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.

We have audited the financial statements of Aerospars 2000 Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and 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).

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 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 Directors' 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 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. 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 course of 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.

Aerospars 2000 Limited

Independent Auditor's Report to the Members of Aerospars 2000 Limited (continued)

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial 31 December 2020 for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Aerospars 2000 Limited

Independent Auditor's Report to the Members of Aerospars 2000 Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (FRS102 and the Companies Act 2006), sales taxes, labour regulations and tax in the United Kingdom and in foreign jurisdictions.
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and corroborating our enquiries as we considered appropriate.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility to fraud. We also considered potential fraud drivers: including financial or other pressures, opportunity, and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals, review of the revenue recognition policy and testing the amounts of revenue recognised on contracts in the period.
- Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

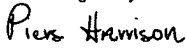
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Aerospares 2000 Limited

Independent Auditor's Report to the Members of Aerospares 2000 Limited (continued)

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.

DocuSigned by:

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Piers Harrison (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Newton House
United Kingdom

19 November 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aerospares 2000 Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
Turnover	4	21,902,429	44,142,830
Cost of sales		(14,463,286)	(29,131,784)
Gross profit		7,439,143	15,011,046
Administrative expenses		(3,285,744)	(3,383,571)
Operating profit	5	4,153,399	11,627,475
Interest receivable and similar income	8	2,136	84,647
Interest payable and similar charges	9	(284,640)	(74,926)
Profit before tax		3,870,895	11,637,196
Tax on profit	10	(381,650)	(2,276,343)
Profit for the financial year		3,489,245	9,360,853
Other comprehensive income		-	-
Total comprehensive income for the year		3,489,245	9,360,853

The notes on pages 15 to 33 form part of these financial statements.

Aerospares 2000 Limited

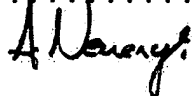
Registered number: 04021429

Statement of Financial Position As at 31 December 2020

	Note	2020 \$	2020 \$	2019 \$	2019 \$
Fixed assets					
Tangible assets	12		984,285		1,316,055
Current assets					
Stocks	13	27,594,996		23,409,122	
Debtors: amounts falling due within one year	14	10,768,420		11,315,313	
Cash at bank and in hand	15	1,002,736		1,699,990	
		<u>39,366,152</u>		<u>36,424,425</u>	
Creditors: amounts falling due within one year	16	(5,746,928)		(6,612,063)	
Net current assets			<u>33,619,224</u>		<u>29,812,362</u>
Total assets less current liabilities			<u>34,603,509</u>		<u>31,128,417</u>
Creditors: amounts falling due after more than one year	17		(7,422,974)		(7,422,646)
Provisions for liabilities					
Deferred tax	20		(3,712)		(18,193)
Net assets			<u>27,176,823</u>		<u>23,687,578</u>
Capital and reserves					
Called up share capital	21		150		150
Profit and loss account	22		27,176,673		23,687,428
Total equity			<u>27,176,823</u>		<u>23,687,578</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

18/11/2021



A M Nemenyi
Director

The notes on pages 15 to 33 form part of these financial statements.

Aerospares 2000 Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2020	150	23,687,428	23,687,578
Comprehensive income for the year			
Profit for the year	-	3,489,245	3,489,245
Total comprehensive income for the year	-	3,489,245	3,489,245
At 31 December 2020	150	27,176,673	27,176,823

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2019	150	29,346,575	29,346,725
Comprehensive income for the year			
Profit for the year	-	9,360,853	9,360,853
Total comprehensive income for the year	-	9,360,853	9,360,853
Dividends: Equity capital	-	(15,020,000)	(15,020,000)
At 31 December 2019	150	23,687,428	23,687,578

The notes on pages 15 to 33 form part of these financial statements.

Aerospars 2000 Limited

Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Profit for the financial year	3,489,245	9,360,853
Adjustments for:		
Depreciation of tangible assets	347,073	349,966
Loss on disposal of tangible assets	-	(2,429)
Interest paid	284,640	74,926
Interest received	(2,136)	(84,647)
Taxation charge	381,650	2,276,343
Increase in stocks	(4,185,874)	(3,220,297)
Decrease/(increase) in debtors	546,894	(4,491,088)
(Decrease)/increase in creditors	(1,178,919)	1,024,674
Corporation tax paid	(1)	(3,554,031)
Net cash generated from operating activities	(317,428)	1,734,270
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,304)	(40,950)
Sale of tangible fixed assets	-	8,763
Receipt of amounts owed by related parties	-	3,064,743
Interest received	2,136	84,647
Finance lease interest paid	(17,232)	(74,926)
Net cash from investing activities	(30,400)	3,042,277
Cash flows from financing activities		
Borrowings	97,476	7,325,497
Repayment of finance leases	(257,614)	(224,703)
Dividends paid	-	(15,020,000)
Interest paid	(267,408)	-
Net cash used in financing activities	(427,546)	(7,919,206)

Aerospars 2000 Limited

Statement of Cash Flows (continued) For the Year Ended 31 December 2020

	2020	2019
	\$	\$
Net (decrease) in cash and cash equivalents	<u>(775,374)</u>	<u>(3,142,659)</u>
Cash and cash equivalents at beginning of year	1,699,990	4,842,649
Cash and cash equivalents at the end of year	<u><u>924,616</u></u>	<u><u>1,699,990</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,002,736	1,699,990
Bank overdrafts	(78,120)	-
	<u><u>924,616</u></u>	<u><u>1,699,990</u></u>

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Aerospars 2000 Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is USD. Values are rounded to the nearest dollar.

The following principal accounting policies have been applied:

2.2 Going concern

Due to the nature of the company's trade, being the provision of spare parts to the aviation industry which had been severely impacted by COVID-19, the company is reliant on the continued availability of its existing borrowing facilities provided by Wells Fargo Capital Finance UK Limited and Bridgepoint Credit II S.A.R.L to continue as a going concern.

Whilst restrictions on air travel are continuing to ease around the world as more people are vaccinated against COVID-19, there has been significant disruption to the global economy and the airline industry due to the ongoing impacts of COVID-19, the full impact of which cannot be determined with certainty. As seen across the world, this event carries with it significant uncertainties that may impact the company's future profitability and which, by extension, could result in changes to the intentions of both the company's lenders and its shareholders to continue to provide the required financial support.

The company and group breached lending covenant terms during the period which resulted in renegotiation of the terms with its lenders to help ease the liquidity conditions and support the company's and group's going concern.

Following enquiry of the company's lenders and shareholders, the directors have obtained signed agreements that have waived or amended the initial covenants terms.

Both of the company's lenders have agreed to new amended covenants covering the period from September 2021 to December 2022; the directors have prepared profit and cash flow forecasts for the next 12 months and have concluded that the company and group will be able to comply with the revised covenants and will be able to continue to operate within the available borrowing facilities throughout that period. The directors have also prepared sensitised forecasts to allow for the eventuality that the group's trading may underperform expectations, and the directors remain satisfied that the group will still be able to operate within the available facilities and meet the revised covenants for at least the next 12 months.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.2 Going concern (continued)

The new covenants conditions are effective from August 2021 and a review will be conducted after twelve months from the effective date to confirm compliance and assess performance of the company.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

2.3 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Sale of goods

Revenue in respect of parts supplied both as outright sales and on exchange is recognised on delivery to the customer.

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.

Rendering of services

Revenue for services supplied, such as repair charges, exchange charges and outright sales charges are recognised on completion of the service.

Revenue received from ancillary services is recognised when the right to receive payment is established, which is normally at the date of the transaction.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold land and buildings	- over the term of the lease
Leasehold improvements	- over the term of the lease
Motor vehicles	- 25% per annum
Fixtures and fittings	- 25% per annum
Warehouse handling forklifts	- 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Impairment of fixed assets

At each reporting date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value.

The cost of stocks of aircraft parts is based on the cost of purchase on a first in, first out basis.

The cost of aircraft parts which can be repaired and reused is based on the cost of purchase of the original aircraft part. When an item of stock is issued in exchange for a used part the reused item is refurbished and entered into the stock pool. The cost of refurbishment is expensed.

Slow moving stock is not discounted as the company anticipates that it can always be sold for at least its carrying value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss. The assessment is based on a review of all parts held to ensure they are still used by aircraft currently in service.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.12 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

The presentational and functional currency of these financial statements is USD. Values are rounded to the nearest dollar.

2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.18 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Aerospares 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Judgements in applying accounting policies 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 amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following are the critical accounting estimates and judgements that have had the most significant effect on amounts recognised in the financial statements.

Stock

The company writes down stock to net realisable value based on an estimate on the realisability of stock. Write-downs on stock are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate or judgement, such difference will impact the carrying value of stock and write-downs of stock in the periods in which such estimates or judgements have been changed. The accounting policy of stocks is described in note 2.7. At the year end the carrying amount of stocks is stated in note 13.

Aerospares 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Judgements in applying accounting policies (continued)

Impairment of trade debtors

The company reviews trade debtor balances for impairment and this is performed on a regular basis. Those balances which are considered to be recoverable remain in trade debtors and those which are not, are impaired and the impairment loss is recorded in the profit or loss. In making this judgement, the company evaluates, among other factors, customer's financial health and short-term business outlook including factors such as the general economic environment as it affects the industry. The accounting policy of trade debtors is described in note 2.8. At the year end the carrying amount of trade debtors is stated in note 14.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019
	\$	\$
Supply of spare parts	10,875,408	26,879,461
Repair and exchange services	11,027,021	17,263,369
	21,902,429	44,142,830

Analysis of turnover by country of destination:

	2020	2019
	\$	\$
Europe	15,894,287	36,956,727
Rest of the world	6,008,142	7,186,103
	21,902,429	44,142,830

5. Operating profit

The operating profit is stated after charging/(crediting):

	2020	2019
	\$	\$
Exchange differences	262,565	148,162
Fees payable to the company's auditor for the audit of the company's financial statements	36,250	51,100
Depreciation of owned tangible fixed assets	249,520	238,147
Depreciation of tangible fixed assets held under finance leases	97,554	111,549
Profit on disposal of tangible fixed assets	-	(2,429)
Operating lease charges	-	265,487
	-	265,487

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 \$	2019 \$
Wages and salaries	870,291	1,189,144
Social security costs	252,468	116,889
Cost of defined contribution scheme	148,196	111,368
	<u>1,270,955</u>	<u>1,417,401</u>

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

	2020 No.	2019 No.
Administration	7	7
Sales	5	8
Warehouse	7	9
	<u>19</u>	<u>24</u>

7. Directors' remuneration

	2020 \$	2019 \$
Directors' emoluments	123,426	42,089
Directors pension costs	75,187	49,914
	<u>198,613</u>	<u>92,003</u>

During the year retirement benefits were accruing to no directors (2019 -NIL) in respect of defined contribution pension schemes.

8. Interest receivable and similar income

	2020 \$	2019 \$
Other interest income	<u>2,136</u>	<u>84,647</u>

Aerospares 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Interest payable and similar charges

	2020	2019
	\$	\$
Interest on finance leases and hire purchase contracts	17,232	37,012
Other interest on financial liabilities	267,408	37,914
	284,640	74,926
	284,640	74,926

10. Taxation

	2020	2019
	\$	\$
Corporation tax		
Current tax on profits for the year	376,323	2,290,477
Adjustments in respect of previous periods	19,808	6,183
Total current tax	396,131	2,296,660
Deferred tax		
Origination and reversal of timing differences	(16,621)	(20,317)
Effect of tax rate change on opening balance	2,140	-
Total deferred tax	(14,481)	(20,317)
Taxation on profit on ordinary activities	381,650	2,276,343

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 \$	2019 \$
Profit on ordinary activities before tax	<u>3,870,895</u>	<u>11,637,196</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	735,470	2,211,067
Effects of:		
Fixed asset differences	18,535	18,050
Expenses not deductible for tax purposes	6,944	77,625
Group relief claimed	(426,828)	(34,703)
Adjustment to tax charge in respect of previous periods	14,442	-
Other tax adjustments	-	(6,626)
Adjust closing deferred tax to average rate of 19%	-	(2,140)
Adjust opening deferred tax to average rate of 19%	-	3,751
Current tax (prior period) exchange difference arising on movement	5,366	6,183
Current tax (current period) exchange difference arising on movement	23,300	3,136
Remeasurement of deferred tax for changes in tax rates	2,380	-
Deferred tax not recognised	2,041	-
Total tax charge for the year	<u><u>381,650</u></u>	<u><u>2,276,343</u></u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

11. Dividends

	2020 \$	2019 \$
Dividend paid during the year	<u><u>-</u></u>	<u><u>15,020,000</u></u>

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Tangible fixed assets

	Leasehold land and buildings \$	Leasehold improve- ments \$	Motor vehicles \$	Fixtures and fittings \$	Warehouse handling forklifts \$	Total \$
Cost or valuation						
At 1 January 2020	780,845	682,870	21,748	507,162	56,293	2,048,918
Additions	-	-	-	15,304	-	15,304
At 31 December 2020	<u>780,845</u>	<u>682,870</u>	<u>21,748</u>	<u>522,466</u>	<u>56,293</u>	<u>2,064,222</u>
Depreciation						
At 1 January 2020	223,098	195,106	21,748	264,765	28,146	732,863
Charge for the year on owned assets	111,550	97,552	-	123,898	14,074	347,074
At 31 December 2020	<u>334,648</u>	<u>292,658</u>	<u>21,748</u>	<u>388,663</u>	<u>42,220</u>	<u>1,079,937</u>
Net book value						
At 31 December 2020	<u>446,197</u>	<u>390,212</u>	<u>-</u>	<u>133,803</u>	<u>14,073</u>	<u>984,285</u>
At 31 December 2019	<u>557,747</u>	<u>487,764</u>	<u>-</u>	<u>242,397</u>	<u>28,147</u>	<u>1,316,055</u>

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

12. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 \$	2019 \$
Tangible fixed assets	<u>446,197</u>	<u>557,747</u>

13. Stocks

	2020 \$	2019 \$
Finished goods and goods for resale	<u>27,594,996</u>	<u>23,409,122</u>

14. Debtors: amounts falling due within one year

	2020 \$	2019 \$
Trade debtors	3,497,511	5,902,529
Other debtors	7,168,202	5,304,616
Prepayments and accrued income	102,707	108,168
	<u>10,768,420</u>	<u>11,315,313</u>

Trade debtors disclosed above are measured at amortised cost.

Other debtors include \$7,063,243 (2019 - \$5,136,327) due from the parent company Aerospars 2000 Holdings Limited.

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was \$283,806 (2019 - \$184,034).

15. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank and in hand	1,002,736	1,699,990
Less: bank overdrafts	(78,120)	-
	<u>924,616</u>	<u>1,699,990</u>

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Creditors: amounts falling due within one year

	2020	2019
	\$	\$
Bank overdrafts	78,120	-
Obligations under finance leases	94,238	254,703
Trade creditors	2,446,825	4,000,427
Corporation tax	524,767	128,637
Other taxation and social security	143,337	52,107
Other creditors	704,107	986,082
Accruals and deferred income	1,755,534	1,190,107
	5,746,928	6,612,063

17. Creditors: amounts falling due after more than one year

	2020	2019
	\$	\$
Bank borrowings	7,422,974	7,325,497
Net obligations under finance leases and hire purchase contracts	-	97,149
	7,422,974	7,422,646

The bank borrowings relate to a revolving credit facility provided by Wells Fargo and is a Assets Based Lending Facility secured against a percentage of the company's accounts receivable and inventory balances. The facility has a 4 year term, maturing in December 2023, and amounts advanced to the company accrue interest at a variable rate equivalent to LIBOR plus 2.95%.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	\$	\$
Within one year	94,238	254,703
In two to five years	-	97,149
	94,238	351,852

Finance lease payments represent rentals payable by the company for certain tangible fixed assets. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The leases terminate in 2021. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The leases are secured on the fixed assets financed as disclosed in note 12.

Aerospares 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

19. Financial instruments

	2020 \$	2019 \$
Financial assets		
Financial assets measured at amortised cost	<u>11,771,156</u>	<u>11,108,648</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>12,501,798</u>	<u>13,755,468</u>

Financial assets measured at fair value through profit or loss comprise of trade and other debtors, prepayments and accrued income, and cash and cash equivalent.

Financial liabilities measured at amortised cost comprise of trade and other creditors, long term borrowings, obligations under finance leases, accruals and deferred income

20. Deferred taxation

	2020 \$
At beginning of year	18,193
Charged to profit or loss	(14,481)
At end of year	<u><u>3,712</u></u>

The provision for deferred taxation is made up as follows:

	2020 \$	2019 \$
Fixed asset timing differences	20,316	29,753
Short term timing differences	(16,604)	(11,560)
	<u>3,712</u>	<u>18,193</u>

21. Share capital

	2020 \$	2019 \$
Allotted, called up and fully paid		
100 ordinary shares of \$1.50 each	<u>150</u>	<u>150</u>

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

22. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Analysis of net debt

	At 1 January 2020 \$	Cash flows \$	At 31 December 2020 \$
Cash at bank and in hand	1,699,990	(697,254)	1,002,736
Bank overdrafts	-	(78,120)	(78,120)
Bank borrowings	(7,325,497)	(97,477)	(7,422,974)
Debt due within 1 year	1,215	(8,600)	(7,385)
Finance leases	(351,852)	257,614	(94,238)
	<u>(5,976,144)</u>	<u>(623,837)</u>	<u>(6,599,981)</u>

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$148,196 (2019 - \$111,368). Contributions totalling \$7,385 (2019 - \$(1,215)) were payable/(receivable) to the fund at the reporting date and are included in creditors.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

25. Commitments under operating leases

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as noted below. The rent is payable in sterling and expires in 2025 with a rent review due in 2023. The property is owned by a company controlled by A M Nemenyi.

	2020 \$	2019 \$
Not later than 1 year	268,074	252,000
Later than 1 year and not later than 5 years	1,072,296	1,106,115
	<u>1,340,370</u>	<u>1,358,115</u>

26. Other financial commitments

- The company has guaranteed bank loans of its parent undertakings, and its assets are pledged as security against these loans. At the balance sheet date the liabilities covered by this guarantee totalled \$30,496,911 (2019 - \$25,000,000).

27. Related party transactions

Remuneration of key management personnel

The remuneration of the directors and other members of key management during the year was as follows:

	2020 \$	2019 \$
Aggregate compensation	<u>198,613</u>	<u>92,003</u>

Entities with control, joint control or significant influence over the entity

Out of the total number of 6 directors and members of the senior management team, the remuneration of 5 members had been paid by the ultimate parent company Acorn A2K LLC. Only 1 member, the CEO A M Nemenyi had been paid by the company.

Dividends of \$Nil (2019 - \$15,020,000) were paid to the former parent company Nextgen Limited during the year.

Aerospars 2000 Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

27. Related party transactions (continued)

Transactions with related parties

The other debtors due within one year of \$7,063,243 (2019 - \$5,136,327) disclosed in note 14 are in respect of a loan to a parent company Aerospars 2000 Holdings Limited. The loan is a revolving line of credit secured against a percentage of the group's accounts receivable and inventory balances. The facility has a 4 year term, maturing in December 2023, and amounts advanced to the company accrue interest at a variable rate equivalent to LIBOR plus 2.95%.

Rent paid during the year was \$268,074 (2019 - \$210,000) in respect of a property leased from a company controlled by A M Nemenyi. The sum of \$83,923 (2019 - \$Nil) was owed to the Aerospars 2000 Limited at the year end.

28. Controlling party

The immediate parent company is Aerospars 2000 Holdings Limited, a company registered in the United Kingdom. Aerospars 2000 Holdings Limited does not prepare or produce group accounts. Aerospars 2000 Holdings Limited also does not produce group accounts.

The smallest and largest group of undertakings for which group accounts are prepared is A2K Midco Limited and A2K Topco Limited respectively, companies registered in the United Kingdom.

The ultimate controlling party is Acorn A2K LLC, which is registered in the United States of America.

29. Post balance sheet events

In August 2021, the company's lenders, Wells Fargo Capital Finance and Bridgepoint Credit II S.A.R.L. agreed to amend some of the financial covenant terms to support the liquidity and to enable the company continue operation as a going concern for twelve months from the effective date of the signed amendment letter.

As noted in Note 2.2, the company's going concern is dependent on the lenders continuing to provide the required funding.

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/19	%Chg
1870 Leasehold Finance	780,845.00	0.00	0.00	780,845.00		780,845.00	0
A01.02.00.01 L/Term L/hold property	780,845.00	0.00	0.00	780,845.00		780,845.00	0
1880 Leasehold Finance - Depreciation	-334,648.00	111,550.00	0.00	-223,098.00		-111,549.00	100
A01.02.00.51 L/Term L/hold property	-334,648.00	111,550.00	0.00	-223,098.00		-111,549.00	100
BDO3 Leasehold finance - depreciation ch	0.00	-111,550.00	0.00	-111,550.00		-111,549.00	0
A01.02.00.52 L/Term L/hold property	0.00	-111,550.00	0.00	-111,550.00		-111,549.00	0
1890 Leasehold Improvements	682,870.00	0.00	0.00	682,870.00		682,870.00	0
A01.03.00.01 S/Term L/hold property	682,870.00	0.00	0.00	682,870.00		682,870.00	0
1895 Leasehold Improvements - Deprecia	-292,658.00	97,552.00	0.00	-195,106.00		-97,553.00	100
A01.03.00.51 S/Term L/hold property	-292,658.00	97,552.00	0.00	-195,106.00		-97,553.00	100
BDO4 Leasehold improvements - depreci	0.00	-97,552.00	0.00	-97,552.00		-97,553.00	0
A01.03.00.52 S/Term L/hold property	0.00	-97,552.00	0.00	-97,552.00		-97,553.00	0
1400 MOTOR VEHICLES	21,748.00	0.00	0.00	21,748.00		21,748.00	0
A01.05.00.01 Motor vehicles-cost b/fv	21,748.00	0.00	0.00	21,748.00		21,748.00	0
1450 MOTOR VEHICLE DEPRECIATION	-21,748.00	0.00	0.00	-21,748.00		-21,748.00	0
A01.05.00.51 Motor vehicles-depn b/f	-21,748.00	0.00	0.00	-21,748.00		-21,748.00	0
1800 FIXED ASSETS	522,466.00	-15,304.00	0.00	507,162.00		474,658.00	7
A01.06.00.01 F & ftngs-cost b/fwd	522,466.00	-15,304.00	0.00	507,162.00		474,658.00	7
BDO5 Fixed assets - additions	0.00	15,304.00	0.00	15,304.00		40,950.00	-63
A01.06.00.02 F & ftngs-additions	0.00	15,304.00	0.00	15,304.00		40,950.00	-63
BDO10 Fixtures and fittings - disposals	0.00	0.00	0.00	0.00		-8,446.00	-100
A01.06.00.04 F & ftngs-disposals	0.00	0.00	0.00	0.00		-8,446.00	-100
1850 DEPRECIATION-PROVISION	-388,663.00	123,898.00	0.00	-264,765.00		-140,086.00	89
A01.06.00.51 F & ftngs-depn b/fwd	-388,663.00	123,898.00	0.00	-264,765.00		-140,086.00	89
BDO6 Fixed assets - depn charge	0.00	-123,898.00	0.00	-123,898.00		-126,791.00	-2
A01.06.00.52 F & ftngs-depn chg:Ow	0.00	-123,898.00	0.00	-123,898.00		-126,791.00	-2
BDO11 Fix and Fitt - depn on disposals	0.00	0.00	0.00	0.00		2,112.00	-100
A01.06.00.54 F & ftngs-depn disposi	0.00	0.00	0.00	0.00		2,112.00	-100
1600 WAREHOUSE HANDLING - FORK	56,293.00	0.00	0.00	56,293.00		56,293.00	0
A01.09.00.01 Other FA-cost b/fwd	56,293.00	0.00	0.00	56,293.00		56,293.00	0
1650 WAREHOUSE HANDLING - FORK	-42,220.00	14,074.00	0.00	-28,146.00		-14,073.00	100
A01.09.00.51 Other FA-depn b/fwd	-42,220.00	14,074.00	0.00	-28,146.00		-14,073.00	100
BDO33 Warehouse handling - depn charg	0.00	-14,074.00	0.00	-14,074.00		-14,073.00	0
A01.09.00.52 Other FA-depn chg:Ow	0.00	-14,074.00	0.00	-14,074.00		-14,073.00	0
2130 STOCK INVENTORY	25,975,211.00	0.00	0.00	25,975,211.00		20,213,575.00	29
2150 AWAITING CORE - DEFAULT	1,619,785.00	0.00	0.00	1,619,785.00		3,195,547.00	-49
C01.01.00.03 Stocks - finished goods	27,594,996.00	0.00	0.00	27,594,996.00		23,409,122.00	18
4110 TRADE RECEIVABLES	3,781,316.00	0.00	0.00	3,781,316.00		6,086,563.00	-38
C02.01.00.01 Sales ledger control ac	3,781,316.00	0.00	0.00	3,781,316.00		6,086,563.00	-38
4150 BAD DEBTS PROVISION	-283,806.00	0.00	0.00	-283,806.00		-184,034.00	54
C02.01.00.21 Provision for bad debts	-283,806.00	0.00	0.00	-283,806.00		-184,034.00	54
3411 IMCO BIDCO	7,063,243.00	0.00	0.00	7,063,243.00		5,136,327.00	38
C02.04.00.01 Other debtors	7,063,243.00	0.00	0.00	7,063,243.00		5,136,327.00	38

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5250 VAT CONTROL	104,959.00	0.00	0.00	104,959.00		168,289.00	-38
C02.04.00.71 VAT repayable	104,959.00	0.00	0.00	104,959.00		168,289.00	-38
4160 PREPAYMENTS	102,707.00	0.00	0.00	102,707.00		108,168.00	-5
C02.06.00.00 Prepayments and acrrt	102,707.00	0.00	0.00	102,707.00		108,168.00	-5
3110 HSBC USD	27,293.00	0.00	0.00	27,293.00		1,275,537.00	-98
3115 HSBC USD DEPOSIT ACCOUNT	883,448.00	0.00	0.00	883,448.00		268,225.00	229
3120 HSBC GBP OUT	31,723.00	0.00	0.00	31,723.00		121,119.00	-74
3121 HSBC GBP IN	24,639.00	0.00	0.00	24,639.00		0.00	0
3130 HSBC EUR IN	15,229.00	0.00	0.00	15,229.00		870.00	1650
3131 HSBC EUR OUT	19,828.00	0.00	0.00	19,828.00		14,683.00	35
3140 BARCLAYS USD	188.00	0.00	0.00	188.00		13,648.00	-99
3150 BARCLAYS GBP	168.00	0.00	0.00	168.00		245.00	-31
3160 BARCLAYS EURO	220.00	0.00	0.00	220.00		232.00	-5
3167 PAYPAL ACCOUNT	0.00	0.00	0.00	0.00		5,431.00	-100
C04.01.00.01 Bank account 1	1,002,736.00	0.00	0.00	1,002,736.00		1,699,990.00	-41
3162 BARCLAYCARD GBP	-116.00	0.00	0.00	-116.00		0.00	0
3163 BARCLAYCARD USD	-215.00	0.00	0.00	-215.00		0.00	0
3165 AMEX GBP ACCOUNT	-5,326.00	0.00	0.00	-5,326.00		0.00	0
3166 AMEX USD ACCOUNT	-72,463.00	0.00	0.00	-72,463.00		0.00	0
D02.01.00.01 Bank overdraft 1	-78,120.00	0.00	0.00	-78,120.00		0.00	0
5280 FINANCE LOAN	-94,238.00	0.00	0.00	-94,238.00		-254,703.00	-63
D03.02.00.01 Finance leases	-94,238.00	0.00	0.00	-94,238.00		-254,703.00	-63
5110 TRADE PAYABLES	-2,443,910.00	-327.00	0.00	-2,444,237.00		-4,028,257.00	-39
5119 CREDITORS REVALUATION ACCI	-2,916.00	0.00	0.00	-2,916.00		27,830.00	-110
D05.02.00.01 Trade creditors	-2,446,826.00	-327.00	0.00	-2,447,153.00		-4,000,427.00	-39
5220 CORPORATION TAX	-128,637.00	0.00	0.00	-128,637.00		-128,637.00	0
5221 CORP TAX PROVISION	-811,388.00	415,258.00	0.00	-396,130.00		0.00	0
D09.01.00.01 Corporation tax payabl	-940,025.00	415,258.00	0.00	-524,767.00		-128,637.00	308
5150 RECEIVERS CONTROL	-530,067.00	0.00	0.00	-530,067.00		-821,117.00	-35
5260 CREDIT BALANCES	-166,655.00	0.00	0.00	-166,655.00		-166,180.00	0
D10.01.00.01 Other creditors	-696,722.00	0.00	0.00	-696,722.00		-987,297.00	-29
5235 WPENSIONS CONTROL ACCOUN	-7,385.00	0.00	0.00	-7,385.00		1,215.00	-708
D10.01.00.41 Pension fund loan	-7,385.00	0.00	0.00	-7,385.00		1,215.00	-708
5240 PAYE AND NIC	-143,337.00	0.00	0.00	-143,337.00		-52,107.00	175
D11.01.00.01 PAYE/NI control	-143,337.00	0.00	0.00	-143,337.00		-52,107.00	175
5210 TRADE ACCRUALS	-278,307.00	0.00	0.00	-278,307.00		-151,480.00	84
5211 REPAIR ACCRUALS	-1,477,227.00	0.00	0.00	-1,477,227.00		-1,038,627.00	42
D12.01.00.01 Accruals	-1,755,534.00	0.00	0.00	-1,755,534.00		-1,190,107.00	48
3201 WELLS FARGO EMM04 EUR	-232,993.00	327.00	0.00	-232,666.00		-22,462.00	936
3202 WELLS FARGO EMM02 GBP	-3,319,846.00	0.00	0.00	-3,319,846.00		-535,535.00	520
3203 WELLS FARGO EMM00 USD	-3,870,134.00	0.00	0.00	-3,870,134.00		-6,767,500.00	-43
E01.01.00.01 Debentures payable 1-2	-7,422,973.00	327.00	0.00	-7,422,646.00		-7,325,497.00	1
BDO12 Finance loan 2 - 5 years	0.00	0.00	0.00	0.00		-97,149.00	-100
E03.03.00.11 Finance leases > 5 yr	0.00	0.00	0.00	0.00		-97,149.00	-100
5225 DEFERRED TAX	-18,193.00	0.00	0.00	-18,193.00		-46,109.00	-61
F01.01.00.01 Deferred tax - balance b	-18,193.00	0.00	0.00	-18,193.00		-46,109.00	-61
BDO32 Deferred tax - charge to p&l	0.00	14,481.00	0.00	14,481.00		27,916.00	-48
F01.01.00.02 Deferred tax - charge to	0.00	14,481.00	0.00	14,481.00		27,916.00	-48

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/19 %Chg
2100 SHARES	-150.00	0.00	0.00	-150.00		-150.00 0
G01.01.01.01 Share capital - fully pa	-150.00	0.00	0.00	-150.00		-150.00 0
2110 RETAINED EARNINGS	-23,687,430.00	2.00	0.00	-23,687,428.00		-29,346,575.00 -19
H03.01.00.01 Profit and loss account	-23,687,430.00	2.00	0.00	-23,687,428.00		-29,346,575.00 -19
2105 DIVIDENDS	0.00	0.00	0.00	0.00		15,020,000.00 -100
H03.07.00.01 P/L a/c - Dividends: eqt	0.00	0.00	0.00	0.00		15,020,000.00 -100
6001 Sales & Outright Charge	-10,875,408.00	0.00	0.00	-10,875,408.00		-19,693,358.00 -45
L01.52.00.01 Sales - Other EU - type1	-10,875,408.00	0.00	0.00	-10,875,408.00		-19,693,358.00 -45
6002 Exchange Fees	-3,019,683.00	0.00	0.00	-3,019,683.00		-6,916,946.00 -56
6003 Repair Recovery Charges	-7,328,898.00	6,008,142.00	0.00	-1,320,756.00		-9,167,043.00 -86
6004 Brokered Repairs	-38,419.00	0.00	0.00	-38,419.00		-194,425.00 -80
6005 Other Revenue	-96,390.00	0.00	0.00	-96,390.00		-153,811.00 -37
6010 FRIEGHT OUT	-543,631.00	0.00	0.00	-543,631.00		-831,144.00 -35
L01.52.00.02 Sales - Other EU - type2	-11,027,021.00	6,008,142.00	0.00	-5,018,879.00		-17,263,369.00 -71
BDO13 Turnover - rest of world	0.00	0.00	0.00	0.00		-7,186,103.00 -100
L01.53.00.01 Sales - Rest of world -	0.00	0.00	0.00	0.00		-7,186,103.00 -100
BDO17 Repair and exchange sales RoW	0.00	-6,008,142.00	0.00	-6,008,142.00		0.00 0
L01.53.00.02 Sales - Rest of world -	0.00	-6,008,142.00	0.00	-6,008,142.00		0.00 0
7000 COSTS DEFAULT	5,579,964.00	0.00	0.00	5,579,964.00		14,955,979.00 -63
7001 COSTS - Repair Costs	6,209,412.00	0.00	0.00	6,209,412.00		8,093,902.00 -23
7002 COSTS - Sales from Exchanges	1,874,953.00	0.00	0.00	1,874,953.00		4,173,866.00 -55
7006 STOCK PROVISION - GENERAL	142,043.00	0.00	0.00	142,043.00		858,795.00 -83
7010 FREIGHT IN	435,165.00	0.00	0.00	435,165.00		666,128.00 -35
7015 DUTY	37,405.00	0.00	0.00	37,405.00		45,514.00 -18
7020 PACKING MATERIALS	13,159.00	0.00	0.00	13,159.00		36,787.00 -64
7030 AGENTS SERVICES	171,185.00	0.00	0.00	171,185.00		300,813.00 -43
M02.01.00.01 Direct manufacturing c	14,463,286.00	0.00	0.00	14,463,286.00		29,131,784.00 -50
8010 SALARY- DIRECTOR	198,613.00	-75,187.00	0.00	123,426.00		41,996.00 194
8062 AOG-DIRECTOR-BONUS-OPERAT	0.00	0.00	0.00	0.00		93.00 -100
R01.83.00.01 Directors salaries	198,613.00	-75,187.00	0.00	123,426.00		42,089.00 193
8110 NIC -DIRECTOR	43,483.00	0.00	0.00	43,483.00		3,650.00 1091
R01.81.00.01 Directors national insur	43,483.00	0.00	0.00	43,483.00		3,650.00 1091
BDO14 Directors pensions	0.00	75,187.00	0.00	75,187.00		49,914.00 51
R01.85.00.01 Directors pension costs	0.00	75,187.00	0.00	75,187.00		49,914.00 51
8020 SALARY-OPERATIONS	252,176.00	-75,187.00	0.00	176,989.00		233,238.00 -24
8030 SALARY - COMMERCIAL	243,742.00	0.00	0.00	243,742.00		273,336.00 -11
8040 SALARY- OPERATIONS	138,582.00	0.00	0.00	138,582.00		213,739.00 -35
8050 SALARY - MRO	72,337.00	0.00	0.00	72,337.00		131,565.00 -45
8061 AOG/Commission/Bonus - Business	2,661.00	0.00	0.00	2,661.00		21,808.00 -88
8063 AOG/Commission/Bonus - Commer	93,253.00	0.00	0.00	93,253.00		218,966.00 -57
8064 AOG/Commission/Bonus - Operatio	16,640.00	0.00	0.00	16,640.00		41,003.00 -59
8065 AOG/Commission/Bonus - MRO	2,661.00	0.00	0.00	2,661.00		13,400.00 -80
R02.80.00.01 Staff salaries	822,052.00	-75,187.00	0.00	746,865.00		1,147,055.00 -35
8120 NIC -OPERATIONS	45,258.00	0.00	0.00	45,258.00		24,837.00 82
8130 NIC - COMMERCIAL	129,261.00	0.00	0.00	129,261.00		52,731.00 145
8140 NIC OPERATIONS	22,448.00	0.00	0.00	22,448.00		23,328.00 -4
8150 NIC - MRO	12,018.00	0.00	0.00	12,018.00		12,343.00 -3
R02.81.00.01 Staff national insurance	208,985.00	0.00	0.00	208,985.00		113,239.00 85
8210 PENSION CONTRIBUTIONS	51,070.00	0.00	0.00	51,070.00		43,000.00 19

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8212 WPENSIONS -BUSINESS SUPPO	6,321.00	0.00	0.00	6,321.00		4,970.00	27
8214 W-PENSIONS-COMMERCIAL	8,789.00	0.00	0.00	8,789.00		6,057.00	45
8216 WPENSIONS-OPERATIONS	4,235.00	0.00	0.00	4,235.00		4,634.00	-9
8218 WPENSIONS-MRO	2,594.00	0.00	0.00	2,594.00		2,793.00	-7
R02.82.00.01 Staff pension costs - de	73,009.00	0.00	0.00	73,009.00		61,454.00	19
8646 TRAINING	9,507.00	0.00	0.00	9,507.00		6,882.00	38
R05.01.00.01 Staff training	9,507.00	0.00	0.00	9,507.00		6,882.00	38
8613 STAFF WELFARE	5,681.00	0.00	0.00	5,681.00		17,851.00	-68
R05.02.00.01 Staff welfare	5,681.00	0.00	0.00	5,681.00		17,851.00	-68
8525 PETROL	926.00	0.00	0.00	926.00		1,304.00	-29
8526 CAR EXPENSES	478.00	0.00	0.00	478.00		1,237.00	-61
R07.01.00.01 Motor running costs	1,404.00	0.00	0.00	1,404.00		2,541.00	-45
8611 UK ENTERTAINING	1,281.00	0.00	0.00	1,281.00		15,514.00	-92
8622 ENTERTAINING OVERSEAS	1,753.00	0.00	0.00	1,753.00		8,997.00	-81
R09.01.00.01 Entertainment	3,034.00	0.00	0.00	3,034.00		24,511.00	-88
8610 TRAVEL UK	3,754.00	0.00	0.00	3,754.00		16,570.00	-77
8612 UK SUBSISTENCE	73.00	0.00	0.00	73.00		5,205.00	-99
8620 TRAVEL OVERSEAS	13,453.00	0.00	0.00	13,453.00		43,208.00	-69
8621 OVERSEAS SUBSISTENCE	2,653.00	0.00	0.00	2,653.00		15,211.00	-83
R09.02.00.01 Hotels, travel and subsi	19,933.00	0.00	0.00	19,933.00		80,194.00	-75
8642 CONSULTING	29,566.00	0.00	0.00	29,566.00		431,234.00	-93
8643 IT CONSULTING	62,522.00	0.00	0.00	62,522.00		55,014.00	14
R11.01.00.01 Consultancy	92,088.00	0.00	0.00	92,088.00		486,248.00	-81
8661 STATIONERY	10,653.00	0.00	0.00	10,653.00		13,847.00	-23
R12.01.00.01 Printing and stationery	10,653.00	0.00	0.00	10,653.00		13,847.00	-23
8410 TELEPHONES	14,892.00	0.00	0.00	14,892.00		12,819.00	16
R12.01.00.03 Telephone and fax	14,892.00	0.00	0.00	14,892.00		12,819.00	16
8412 INTERNET & COMPUTERS EXPEI	5,754.00	0.00	0.00	5,754.00		3,753.00	53
8644 SOFTWARE SUPPORT	20,748.00	0.00	0.00	20,748.00		20,754.00	0
R12.02.00.01 Computer costs	26,502.00	0.00	0.00	26,502.00		24,507.00	8
8637 EXHIBITIONS & SHOWS	-2,715.00	0.00	0.00	-2,715.00		8,459.00	-132
8638 WEB DESIGN	558.00	0.00	0.00	558.00		1,056.00	-47
8645 Marketing	8,508.00	0.00	0.00	8,508.00		13,013.00	-35
8649 STAFF ADVERTISING	67,764.00	0.00	0.00	67,764.00		9,335.00	626
R13.01.00.01 Advertising and promot	74,115.00	0.00	0.00	74,115.00		31,863.00	133
8647 SUBSCRIPTIONS-MEMBERSHIP F	5,523.00	0.00	0.00	5,523.00		14,407.00	-62
R14.01.00.01 Trade subscriptions	5,523.00	0.00	0.00	5,523.00		14,407.00	-62
8663 CHARITABLE DONATIONS	1,209.00	0.00	0.00	1,209.00		4,382.00	-72
R14.02.00.01 Charity donations	1,209.00	0.00	0.00	1,209.00		4,382.00	-72
8648 LEGAL & PROFESSIONAL	32,186.00	0.00	0.00	32,186.00		12,436.00	159
R15.01.00.01 Legal and professional	32,186.00	0.00	0.00	32,186.00		12,436.00	159
8639 QA AUDIT	8,115.00	0.00	0.00	8,115.00		3,605.00	125
8640 AUDIT FEES	76,394.00	0.00	0.00	76,394.00		51,100.00	49
R15.02.00.01 Auditors' remuneration	84,509.00	0.00	0.00	84,509.00		54,705.00	54
8641 ACCOUNTING SERVICES	8,329.00	0.00	0.00	8,329.00		25,007.00	-67
R15.05.00.01 Accountancy fees	8,329.00	0.00	0.00	8,329.00		25,007.00	-67
8650 BANK FEES	35,678.00	0.00	0.00	35,678.00		46,200.00	-23

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8651 CREDIT CARD CHARGES	3,953.00	0.00	0.00	3,953.00		6,453.00	-39
8656 WELLS FARGO LOAN FEES	75,359.00	0.00	0.00	75,359.00		0.00	0
R17.01.00.01 Bank charges	114,990.00	0.00	0.00	114,990.00		52,653.00	118
8653 Provision for Doubtful Debts	192,618.00	0.00	0.00	192,618.00		-236,196.00	-182
8654 Bad Debts Written Off	10,727.00	0.00	0.00	10,727.00		204,904.00	-95
8655 DEBT COLLECTION	10,554.00	0.00	0.00	10,554.00		2,537.00	316
R18.01.00.01 Bad debts	213,899.00	0.00	0.00	213,899.00		-28,755.00	-844
8652 Currency Exchange	360.00	0.00	0.00	360.00		0.00	0
R20.01.00.01 Difference on foreign e	360.00	0.00	0.00	360.00		0.00	0
8510 RENT	268,074.00	0.00	0.00	268,074.00		265,487.00	1
R31.01.00.01 Rent - non-operating le	268,074.00	0.00	0.00	268,074.00		265,487.00	1
8513 BUSINESS RATES	42,527.00	0.00	0.00	42,527.00		45,071.00	-6
R32.01.00.01 Rates	42,527.00	0.00	0.00	42,527.00		45,071.00	-6
8522 WATER	975.00	0.00	0.00	975.00		1,160.00	-16
R32.02.00.01 Water	975.00	0.00	0.00	975.00		1,160.00	-16
8520 ELECTRICITY	15,242.00	0.00	0.00	15,242.00		14,842.00	3
R33.01.00.01 Light and heat	15,242.00	0.00	0.00	15,242.00		14,842.00	3
8530 CLEANING	19,272.00	-2.00	0.00	19,270.00		31,245.00	-38
8531 WASTE DISPOSAL	4,686.00	0.00	0.00	4,686.00		4,800.00	-2
R34.01.00.01 Cleaning	23,958.00	-2.00	0.00	23,956.00		36,045.00	-34
8220 INSURANCE PREMIUMS	7,663.00	0.00	0.00	7,663.00		8,162.00	-6
8230 LIFE ASSURANCE	9,020.00	0.00	0.00	9,020.00		4,102.00	120
8250 MEDICAL INSURANCE	13,948.00	0.00	0.00	13,948.00		8,188.00	70
8527 VEHICLE INSURANCE	1,448.00	0.00	0.00	1,448.00		1,529.00	-5
8631 MARINE INSURANCE	20,268.00	0.00	0.00	20,268.00		15,552.00	30
8632 LIABILITY INSURANCE	46,714.00	0.00	0.00	46,714.00		35,718.00	31
8634 CREDIT INSURANCE	75,318.00	0.00	0.00	75,318.00		81,266.00	-7
R36.01.00.01 Insurances	174,379.00	0.00	0.00	174,379.00		154,517.00	13
8310 OFFICE REPAIRS	10,161.00	0.00	0.00	10,161.00		17,824.00	-43
8529 FORKLIFT-SERVICING AND REPA	1,312.00	0.00	0.00	1,312.00		1,061.00	24
8541 REFURBISHMENT EXPENSES	836.00	0.00	0.00	836.00		4,140.00	-80
R37.01.00.01 Repairs and mainten	12,309.00	0.00	0.00	12,309.00		23,025.00	-47
8550 DEPRECIATION - Fixtures & Fitting	123,898.00	0.00	0.00	123,898.00		127,671.00	-3
8570 DEPRECIATION - FORKLIFT TRU	14,073.00	0.00	0.00	14,073.00		14,073.00	0
R50.95.00.51 Depreciation - fixtures	137,971.00	0.00	0.00	137,971.00		141,744.00	-3
8580 DEPRECIATION - LEASEHOLD FII	111,549.00	0.00	0.00	111,549.00		111,549.00	0
8590 DEPRECIATION - LEASEHOLD IM	97,553.00	0.00	0.00	97,553.00		97,553.00	0
R50.97.00.11 Depreciation - leasehok	209,102.00	0.00	0.00	209,102.00		209,102.00	0
9005 PROFIT ON DISPOSAL OF FFF	0.00	0.00	0.00	0.00		-2,429.00	-100
R60.01.00.01 Profit/loss on sale of t	0.00	0.00	0.00	0.00		-2,429.00	-100
8512 STORAGE ARCHIVING	1,653.00	75,187.00	0.00	76,840.00		1,328.00	5686
8616 CORPORATE GIFTS	28,807.00	0.00	0.00	28,807.00		36,287.00	-21
8636 INVENTORY LOCATOR SERVICE:	39,535.00	0.00	0.00	39,535.00		44,521.00	-11
8667 KITCHEN SUPPLIES	4,693.00	0.00	0.00	4,693.00		11,210.00	-58
9020 GAINS/LOSSES	261,565.00	0.00	0.00	261,565.00		148,162.00	77
R90.01.00.01 Admin - spare	336,253.00	75,187.00	0.00	411,440.00		241,508.00	70
9025 INTEREST RECEIVABLE	-2,136.00	0.00	0.00	-2,136.00		-84,647.00	-97
U01.01.00.02 Other interest receivabl	-2,136.00	0.00	0.00	-2,136.00		-84,647.00	-97

Aerospars 2000 Limited

Year End: 31 December 2020

Trial balance

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Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/19	%Chg
9023 WELLS FARGO LOAN INTEREST	267,404.00	0.00	0.00	267,404.00		0.00	0
9024 INTEREST PAYABLE	4.00	0.00	0.00	4.00		37,914.00	-100
U02.01.00.02 Bank loan interest paya	267,408.00	0.00	0.00	267,408.00		37,914.00	605
9026 LEASEHOLD INTEREST	17,232.00	0.00	0.00	17,232.00		37,012.00	-53
U02.05.00.01 Hire purchase interest ;	17,232.00	0.00	0.00	17,232.00		37,012.00	-53
9021 CORPORATION TAX	811,389.00	-435,066.00	0.00	376,323.00		2,290,477.00	-84
W01.01.00.01 Corp tax (P/L) - current	811,389.00	-435,066.00	0.00	376,323.00		2,290,477.00	-84
BDO1 Corp tax - prior year	0.00	19,808.00	0.00	19,808.00		6,183.00	220
W01.02.00.01 Corp tax (P/L) - prior y	0.00	19,808.00	0.00	19,808.00		6,183.00	220
BDO2 Deferred tax - timing differences	0.00	-14,481.00	0.00	-14,481.00		-20,317.00	-29
W02.01.00.01 Deferred tax - current y	0.00	-14,481.00	0.00	-14,481.00		-20,317.00	-29
	<u>-1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-1.00</u>		<u>0.00</u>	<u>0</u>
Net Income (Loss)	3,059,504.00			3,489,245.00		9,360,853.00	-63

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
Net Income (Loss) Before Adjustments							3,059,504.00			
1	31/12/2020	WAREHOUSE HANDLING - FORKL	1650		14,074.00					
1	31/12/2020	FIXED ASSETS	1800			15,304.00				
1	31/12/2020	DEPRECIATION-PROVISION	1850		123,898.00					
1	31/12/2020	Leasehold Finance - Depreciation	1880		111,550.00					
1	31/12/2020	Leasehold Improvements - Depreciation	1895		97,552.00					
1	31/12/2020	Leasehold finance - depreciation charge	BDO3			111,550.00				
1	31/12/2020	Leasehold improvements - depreciation	BDO4			97,552.00				
1	31/12/2020	Fixed assets - additions	BDO5		15,304.00					
1	31/12/2020	Fixed assets - depn charge	BDO6			123,898.00				
1	31/12/2020	Warehouse handling - depn charge	BDO33			14,074.00				
Being TFA b/f adjustment					362,378.00	362,378.00	3,059,504.00	0.00		
2	31/12/2020	RETAINED EARNINGS	2110		2.00					
2	31/12/2020	CLEANING	8530			2.00				
Being P&L b/f rounding adjustment					2.00	2.00	3,059,506.00	2.00		
4	31/12/2020	CORP TAX PROVISION	5221		415,258.00					
4	31/12/2020	CORPORATION TAX	9021			435,066.00				
4	31/12/2020	Corp tax - prior year	BDO1		19,808.00					
4	31/12/2020	Deferred tax - timing differences	BDO2			14,481.00				
4	31/12/2020	Deferred tax - charge to p&l	BDO32		14,481.00					
Being corporation tax journal 29.04.2021					449,547.00	449,547.00	3,489,245.00	429,739.00		
5	31/12/2020	Repair Recovery Charges	6003		6,008,142.00					
5	31/12/2020	Repair and exchange sales RoW	BDO17			6,008,142.00				
Being to split turnover by destination.					6,008,142.00	6,008,142.00	3,489,245.00	0.00		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
		Being to split out dir pension from staff pension.			0.00	0.00	3,489,245.00	0.00		
7	31/12/2020	WELLS FARGO EMM04 EUR	3201		94,238.00					
7	31/12/2020	Finance loan 2 - 5 years	BDO12			94,238.00				
		Being to reclassify loan > 1 year as HP liability.			94,238.00	94,238.00	3,489,245.00	0.00		
8	31/12/2020	SALARY- DIRECTOR	8010		75,187.00					
8	31/12/2020	SALARY-OPERATIONS	8020			75,187.00				
		Being to correct dir rem for qualifying services.			75,187.00	75,187.00	3,489,245.00	0.00		
9	31/12/2020	SALARY- DIRECTOR	8010			150,374.00				
9	31/12/2020	STORAGE ARCHIVING	8512		75,187.00					
9	31/12/2020	Directors pensions	BDO14		75,187.00					
		Being, to fix directors note.			150,374.00	150,374.00	3,489,245.00	0.00		
10	31/12/2020	WELLS FARGO EMM04 EUR	3201			94,238.00				
10	31/12/2020	Finance loan 2 - 5 years	BDO12		94,238.00					
		Being, to fix creditors >1 year as requested 15.10.2021.			94,238.00	94,238.00	3,489,245.00	0.00		

Aerospars 2000 Limited
Year End: 31 December 2020
Adjusting Journal Entries
Date: 01/01/2020 To 31/12/2020

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Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg	Recurrence	Misstatement
					7,234,433.00	7,234,433.00	3,489,245.00	429,741.00		