

Darchem Engineering Limited
Annual Report and Financial Statements
for the Year Ended 30 September 2021



Company Information

Directors

L Sabol
A Dunbar
S Wray

Secretary

Taylor Wessing LLP

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne NE1 4JD

Bankers

HSBC Bank plc.
City of London Corporate Office
62-76 Park Street
London SE1 9WP

Solicitors

Taylor Wessing LLP
5 New Street Square
London EC4A 3TW

Registered Office

C/O Brodies LLP Capital Square
58 Morrison Street
Edinburgh EH3 8BP

Strategic report

The directors present their strategic report, for the year ended 30 September 2021.

Principal activity and review of the business

Darchem is a world class engineering company providing products and services primarily to meet the needs of its customers for engineered solutions to high temperature/thermal engineering problems.

Darchem is a market leader in the design, manufacture (and if required installation) of a wide range of high integrity engineered products in stainless steel and titanium as well as thermal insulation systems for aerospace, motorsport, marine defence, nuclear and oil & gas applications.

Darchem holds BS EN ISO 9001 together with a wide range of specific company approvals from its worldwide customer base. The company is accredited with environmental approval BS EN 14001 at its main site. The company also holds NADCAP approvals for the following processes at its main site; welding, NDT, chemical processing and non-conventional machining.

More information on the company's activities can be found on the company web site: www.darchem.co.uk.

The Strategic Report contains the Business Review and Principal Risks and uncertainties.

Business review

The company's key financial and other performance indicators during the year were as follows;

	<i>Year</i>	<i>Year</i>	<i>Change</i>
	<i>2021</i>	<i>2020</i>	<i>Change</i>
	<i>£000</i>	<i>£000</i>	<i>%</i>
Turnover	108,073	86,462	25.0%
Operating Profit	25,372	16,550	53.3%
Shareholders' funds	65,281	69,207	-5.7%
Quick ratio	3.7	3.6	2.9%
Average number of employees	692	810	-14.6%

In line with the parent company TransDigm Group Inc., development of the business is now managed by three core value-driven operating strategies (profitable new business growth, productivity improvements and delivering products which provide value to customers). These strategies have proven successful for the business and have contributed to mitigating the impact of the COVID-19 pandemic.

Reported Turnover increased against the reported prior year. The Company benefited from increased volumes within the nuclear and marine sector. Additionally, the Company began to see improved volumes within the second half of the year from within the aerospace commercial and aftermarket also benefiting from a one-off retrospective pricing arrangement.

Operating Profit was up 53.3% year on year predominately due to the improved margins generated from the increased volumes in the aerospace aftermarket, retrospective pricing and enacted productivity improvements across all sectors of the business.

Shareholders' funds have decreased by 5.7% during the year, primarily as a result of the payment of a dividend payment to our shareholders in the current year.

Business review (continued)

The Company's quick ratio (current assets minus stock/current liabilities) shows an increase over last year as we continue to keep tight controls on working capital.

The average number of employees has decreased by 14.6% from last year. We continue to retain and invest staff in certain sectors but have seen levels reducing within the markets affected by the impact of COVID-19.

Principal risks and uncertainties

Competitive risk

The company competes in an open market environment. The company's customers select suppliers based on a combination of factors including price, delivery, quality and reputation. The company reviews key performance indicators (KPIs) to monitor its competitive position. The company also aims to secure long term contracts with customers to help mitigate any risk.

Financial risk management policy

The company's principal financial instruments comprise cash, and group loans. Other financial assets and liabilities, such as trade debtors, trade creditors and group balances, arise directly from the company's operating activities.

The main risks associated with the company's financial assets and liabilities are set out below.

Interest rate risk

The company invests surplus cash in a floating rate interest yielding bank deposit account. Interest is charged at a variable rate on group loans. Therefore financial assets, liabilities, interest income and interest charges and cash flows can be affected by movements in interest rates. However, the exposure is reduced as these cash flows largely offset each other.

Credit risk

The risk of financial loss due to a counterpart's failure to honour its obligations arises principally in relation to transactions where the company provides goods and services on extended terms. The company also loans money to fellow group undertakings and therefore there is a risk that an element of this may not be recovered.

Company policies are aimed at minimising such losses, and require that extended terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant. Goods may be sold on a cash-with-order basis to mitigate credit risk.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure is approved at group level. Flexibility is maintained by retaining surplus cash in readily accessible bank deposit financial statements.

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk, primarily the US dollar. As a result the value of company's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates in general. The Company endeavours to mitigate any such exposure by purchasing stock components in the equivalent currency.

Other risk

The company has experienced very little in the way of disruption due to Brexit and the conflict in Ukraine. The company does not currently do business in Ukraine or Russia and as such the Directors do not anticipate any specific risk relating to the events in those countries. The Directors are mindful of the wider economic impact of these events and will continue to monitor this for any future impact.

Strategic report (continued)

Section 172(1) statement

The following sections serve as our section 172 statement. Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of the shareholders, a business's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006 and are keen to ensure proper reflection on stakeholder engagement and issues at Board level and promote continuous reflection on opportunities for development.

Board composition and decision making

The Board meets on a regular basis and is committed to ensuring stakeholder engagement is considered during these meetings. The Board is comprised of a cross functional team with a variety of skills and experiences and listed below:

Richard Betts – President

Stuart Wray – VP of Finance

Liza Sabol – Treasurer and Transdigm representative

The board is supported in its day to day running of the Company by a senior management team which meets on a regular basis, during which feedback from various business areas, with particular focus on specific stakeholder groups, business performance and on-going review of the long-term strategy of the Company.

The Company has established a decision making process with delegated authority which is followed at all times. This decision making process is embedded into the day to day operations of the business and ensures decisions are made at the right level involving cross functional teams. In addition to this the Board and Senior Executives will also review and approve significant and strategic projects.

During the year, as a consequence of COVID-19, the Company made a decision during the initial periods of the financial year to take advantage of the Government furlough scheme to try to minimise the impact to employees due to the reduced customer demand within the commercial aerospace market. In addition, in line with Government guidelines, the Company encouraged employees to work from home where possible, social distancing measures were introduced and meetings held on line whenever possible.

Key stakeholders and details of how the Company engages with them, to ensure the long term success of the Company, is detailed below:

Employees

The Board recognises that employees are a fundamental part of the business and key to driving its success.

Members of the board and the senior management team are accessible to the employees on a daily basis and work closely with colleagues welcoming open dialogue and regular engagement.

The Company is committed to regular communications and discussions with employees on those matters relating to their work and the Company's business progress. This is undertaken through a variety of formal and informal meetings between employees and management across various platforms.

The Board aims to encourage equal opportunities in employment regardless of example age, gender, disability, pregnancy and maternity, race (including colour, nationality, and ethnic or national origins). This is supported by the Company's Code of Conduct and Ethics policy.

During this year of uncertainty, communications with staff was held on a regular basis, both from line managers and also Company-wide information briefings.

Strategic report (continued)

Employee wellbeing has always been a key priority for the board and senior management. Accordingly, in line with Government guidelines, employees worked from home where possible, social distancing measures introduced and meetings held on line whenever possible.

The Company provides access to a wellbeing and employee assistance program aimed at supporting employees in their work and personal life.

Suppliers

The Board acknowledges that to deliver on the Company's strategy and ensure the delivery of high quality products and service, engagement and a strong mutually beneficial relationship with suppliers is required. The Company is committed to fair treatment and payment of suppliers whenever possible within agreed payment terms.

The Company has a dedicated procurement team that maintain a high level of open dialogue and communication with suppliers to ensure they continue to thrive and provide continuity of supply and understand our clear expectations of our suppliers. Information about key suppliers is provided to the Board and senior management when relevant to Company deliberations.

Customers

It is critical to the future success of the Company that we build and maintain deep, long-lasting and committed relationships with our customers.

We do this through a dedicated customer accounts team, which interface with our customers on a regular basis and are responsible for the day to day management.

The Company holds regular open dialogue and communications with customers, and all employees strive to maintain 100% quality and on time delivery metrics. As noted earlier in the Strategic Report, TransDigm Group core operating strategies drive the business to be customer-focussed and these value drivers are a strong influence on daily operating activities.

Parent Company

The Company has a responsibility to deliver shareholder wealth to TransDigm Group Inc., which then allows the Group to fulfil its commitments to investors. The parent company is involved in the strategic decision making of the Company, and is also involved in the Company's business planning process.

Both the Company and TransDigm Group Inc recognise the importance of reputation and ensuring that the Company maintains high standards of business conduct, and regular employee training is delivered to uphold these standards throughout the workforce.

Environment and Community

The Company has achieved BS EN ISO 9001 certification, which includes environmental management systems, and the directors are constantly striving to reduce carbon emissions and waste generated in production processes. For more information please refer to the Energy and Carbon report within the Directors' report.

As part of the Company's responsibility to the wider community, the Company regularly donates to local fundraising events. During the pandemic the Company donated funds to the local school to assist with the purchase of IT equipment to aid on-line tutoring of pupils.

Approved by the Board on 30th November 2022 and signed on its behalf by:


S Wray

Director

30th November 2022

Registered No. SC144767

Directors' report

The directors present their report and financial statements for the year ended 30 September 2021.

Certain information, including principal activities, review of business and financial risks is not shown in the Directors' Report because it is shown in the strategic report instead under S414 C (11).

Results and dividends

The profit for the year after tax amounted to £23,974,000 (2020 – £14,448,000). Dividends of £27,900,000 were paid during the year (2020 – £nil).

Research and development

Research and development activities are directed principally towards the development of new products and improving the performance and cost effectiveness of existing products.

Directors

The directors who served the company during the year, and subsequent to the year end, were as follows:

A Dunbar (Appointed 30th June 2022)

L Sabol

R Betts (Appointed on 31st December 2020 and resigned 30th June 2022)

S Wray

W Meijer (Resigned on 31st December 2020)

Policy and practice on payment of creditors

The company agrees with suppliers the terms and conditions under which business transactions are conducted, including terms of payment. It is company policy that payments to suppliers are made in accordance with agreed terms unless the supplier fails to honour its obligations. At 30 September 2020 the company had an average of 41 days (2020 – 37 days) purchases outstanding in trade creditors.

Employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

If an existing employee becomes disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

During the year the policy of providing information about the company has been achieved through the production and distribution on a regular basis of news bulletins for employees. Regular meetings are held between management and employees to allow a free flow of information and ideas.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 and 5. During the year the Company generated Profit after tax of £24.0m (2020: £14.4m). At 30th September 2021, the Company had £10.0m (2020: £28.4) of cash at bank and in hand. The Company had no external long-term or short-term borrowings. In addition, in the financial statements for the year ending 30th September 2022, the Company has an intercompany loan due from a Group undertaking of £7.6m which is repayable on demand and £5.4m of cash at bank and in hand.

The Company has considerable financial resources, including cash balances and has a number of long-term contracts with customers across different segments and geographical areas which give rise to a steady revenue and cash inflow.

Directors' report (continued)

Going concern (continued)

The Directors have prepared sensitivity analysis and cash flow forecasts for the year to 30th November 2022, being the going concern period, supporting their conclusions. Such forecasts consider the following:

- The planned extent of capital expenditure and future investment across the Company.
- A conservative approach as to the direct impact of Covid-19 and the recovery across all sectors of the Company applying forecasts endorsed and approved at Board and Group level.
- The wider economic impact of events in Ukraine in particular energy prices and rising costs of inflation.
- The Company's working capital requirements over the period.

These forecasts indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period.

However, the Directors are aware of the Group's Treasury policy, which may require funds to be transferred to other group entities or dividends to be paid. Consequently, the Company has obtained a letter of support from the Parent Company, TransDigm Group Inc, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The Parent Company has confirmed its ability to provide such support for the period from the date of approval of the Company's statement of financial position until 30 November 2023. The Directors have reviewed and considered the financial position of TransDigm Group Inc, and are satisfied that TransDigm Group Inc is able to provide any support that may be required.

Based upon the forecasts, and the letter of support, the Directors have concluded that the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 November 2023. Therefore the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Covid-19

The COVID-19 pandemic has had an unprecedented impact on the global economy. The Company had seen a downturn in activities within the aerospace market but has seen a gradual improvement additionally within the motor sport, marine defence and in particular the Nuclear markets.

Despite the initial downturn the Company has continued to operate production sites via adopting work environments ensuring adherence to social distancing guidelines in accordance with Government guidelines. Throughout this period, a positive EBITDA has continued to be generated; Customer credit exposure has been monitored tightly and by working closely with customers, we have been able to manage our debtor exposure effectively. In addition, the Company has taken advantage of the Government furlough scheme to try to minimise the impact to employees, regrettably it was deemed necessary to reduce headcount within certain sectors of the business to ensure the Company is correctly resourced for future demand.

Corporate Governance

The Company has not applied a specific corporate governance code during the financial year. However as a subsidiary of TransDigm Group Inc., the US parent company, it operates in accordance with its parent company's corporate governance expectations and code of ethics. The company also complies with all relevant UK law, such as the Bribery Act 2010, and the Quality Management standard requirements of BS EN ISO 9001.

Energy and Carbon Report

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires the company to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from Streamlined

Directors' report (continued)

Energy and Carbon Report (Continued)

Energy and Carbon Reporting ("SECR") regulated sources. Energy and GHG emissions have been independently calculated by TDJ Services Ltd for the period 1st October 2020 to 30th September 2021.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, and business travel in company-owned or employee-owned cars.

The Company is committed to ensuring environment and energy factors are continually monitored. Darchem currently hold ISO 50001:2018 certification and are audited to this standard by a third party on an annual basis. There has been a significant effort within the last year to push forward with green planning. 2022 will see Darchem Engineering kick off with a green team, solely focused on green energy and environmental initiatives across the business.

The table below details all GHG Scope 1 and 2 emission sources from the current reporting period. Energy consumption is expressed in kilowatt-hours ("kWh") and emissions in tonnes of carbon dioxide equivalents ("tCO₂e").

	2021	2020
	<i>MWh</i>	<i>MWh</i>
Energy		
Natural gas	4,636	4,948
Gas Oil	1,216	387
Electricity	4,005	4,362
Solar	58	30
Transport	618	488
Total Energy (MWh)	10,533	10,215
	2022	2021
	<i>tCO₂e</i>	<i>tCO₂e</i>
Emissions		
Natural gas	849	910
Gas Oil	312	99
Electricity	850	1,017
Transport	146	118
Total SECR emissions (tCO₂e)	2,158	2,144
SECR emissions per intensity metric (tCO ₂ e / turnover £m)	20.0	24.8

Energy Efficiency Actions

The company is committed to reducing its environmental impact and contribution to climate change through increased energy management and raising awareness with employees. During the reporting period, detailed energy audits, as part of the Energy Savings Opportunities Scheme ("ESOS") regulations, were commissioned to establish an energy efficiency action plan. The company has continued converting legacy lighting into energy-efficient lighting as it gradually refurbishes its head office and distribution centre.

During the year, the company continued to reduce the number of company cars including only keeping essential pool and service vehicles. Both company sites are located very close to connecting railway

Directors' report (continued)

Energy and Carbon Report (Continued)

stations and employees are encouraged to use public transport whenever possible. The company has invested in IT infrastructure to allow for more virtual meetings and less travel costs.

Methodology

The company employs the Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance: 2019 to interpret, analyse and display energy data.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant *audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware*. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



S Wray
Director
30th November 2022

Statement of directors' responsibilities

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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting standard applicable in the UK and the Republic of Ireland". 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

Independent auditors' report

to the members of Darchem Engineering Limited

Opinion

We have audited the financial statements of Darchem Engineering Limited for the year ended 30 September 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 23, 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 FRS 102 "The Financial Reporting Standard applicable in the UK" and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 from the date from when the financial statements are authorised for issue to 30 November 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report

to the members of Darchem Engineering Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on page 10, 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.

Independent auditors' report

to the members of Darchem Engineering Limited

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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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 and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to health and safety, employee matters environmental and bribery and corruption practices.
- We understood how Darchem Engineering Limited is complying with those frameworks by making enquiries of those charged with governance and management, including those responsible for legal and compliance procedures, to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes and papers provided to the Board and made inquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the company, as well as consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was a susceptibility to fraud. 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 and were designed to provide reasonable assurance that the financial statements are free from fraud and error. Specifically, we identified a fraud risk in relation to revenue recognition due to incorrect timing of recognition either through manipulation of long-term contract accounting or year-end revenue cut off. We performed detailed audit procedures over long term contract accounting, including deferred and accrued income accounts, paying particular attention to contract terms, costs incurred and forecast contract costs and historical forecasting accuracy of contracts to ensure revenue recognised on such contracts was appropriate. We tested revenue cut off, through selecting a sample of items and validated these to invoice and other evidence to demonstrate the timing of revenue recognition was appropriate. In addition, we tested manual journals in order to address the risk of management override.

Independent auditors' report

to the members of Darchem Engineering Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. In addition to those set out above, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation

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

Use of our report

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

Ernst & Young LLP

Tim Helm (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle

30th November 2022

Income Statement

for year ended 30 September 2021

	Notes	2021 £000	2020 £000
Turnover	2	108,073	86,462
Cost of sales		<u>(69,376)</u>	<u>(63,403)</u>
Gross Profit		38,697	23,059
Distribution costs		(263)	(1,515)
Administrative expenses	3	(13,664)	(7,126)
Other operating income	3	<u>602</u>	<u>2,132</u>
Operating Profit	3	<u>25,372</u>	<u>16,550</u>
Interest payable and similar charges	7	(38)	(55)
Interest receivable and similar income	8	<u>622</u>	<u>571</u>
Profit on ordinary activities before taxation		25,956	17,066
Taxation	9	<u>(1,982)</u>	<u>(2,618)</u>
Profit on ordinary activities after taxation		<u>23,974</u>	<u>14,448</u>

All of the activities of the company are classed as continuing.

Statement of Comprehensive Income

for year ended 30 September 2021

There are no other items of comprehensive income other than the profit of £23,974,000 in the year to 30 September 2021 (2020 – £14,448,000).

Statement of Changes in Equity

	Share capital £000	Share Premium £000	Profit and loss account £000	Total £000
At 30 September 2019	12,927	1,687	40,145	54,759
Profit for the year	-	-	14,448	14,448
Dividends paid during the year	-	-	-	-
At 30 September 2020	<u>12,927</u>	<u>1,687</u>	<u>54,593</u>	<u>69,207</u>
Profit for the year	-	-	23,974	23,974
Dividends paid during the year	-	-	(27,900)	(27,900)
At 30 September 2021	<u>12,927</u>	<u>1,687</u>	<u>50,667</u>	<u>65,281</u>

Statement of Financial Position

at 30 September 2021

		30 September 2021	30 September 2020
	Notes	£000	£000
Fixed assets			
Tangible assets	11	19,727	20,817
Current assets			
Stocks	12	12,622	14,002
Debtors: amounts falling within one year	13	38,512	25,873
Debtors: amounts falling due greater than one year – deferred tax	9	-	37
Cash at bank and in hand		10,025	28,372
		61,159	68,284
Creditors: amounts falling due within one year	14	(13,084)	(15,052)
Net current assets		48,075	53,232
Total assets less current liabilities		67,802	74,049
Creditors: amounts falling due greater than one year	15	(2,261)	(4,842)
Provisions for liabilities			
Deferred taxation	9	(260)	-
Net Assets		65,281	69,207
Capital and reserves			
Called up share capital	16	12,927	12,927
Share premium		1,687	1,687
Profit and loss account		50,667	54,593
Shareholders' funds		65,281	69,207

The financial statements were approved for issue by the board of directors and signed on their behalf by:



S Wray

Director

30th November 2022

Notes to the financial statements

at 30 September 2021

1. Accounting policies

Statement of compliance

Darchem Engineering Limited is a private limited liability company, limited by shares, incorporated in England. The Registered Office is C/O Brodies LLP Capital Square, 58 Morrison Street, Edinburgh, United Kingdom, EH3 8BP.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 30 September 2021.

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Section 33.7 and 33.1A Related Party Disclosures

The group in which the results of the company are consolidated is Darchem Holdings Limited.

Consolidated financial statements of Darchem Holdings Limited are available to the public and may be obtained from 5 New Street Square, London EC4A 3TW.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.

The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

The financial statements are prepared in GBP sterling which is the functional currency of the company, and are rounded to the nearest thousand.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 and 5. During the year the Company generated Profit after tax of £24.0m (2020: £14.4m). At 30th September 2021, the Company had £10.0m (2020: £28.4) of cash at bank and in hand. The Company had no external long-term or short-term borrowings. In addition, in the financial statements for the year ending 30th September 2022, the Company has an intercompany loan due from a Group undertaking of £7.6m which is repayable on demand and £5.4m of cash at bank and in hand.

The Company has considerable financial resources, including cash balances and has a number of long-term contracts with customers across different segments and geographical areas which give rise to a steady revenue and cash inflow.

The Director have prepared sensitivity analysis and cash flow forecasts for the year to 30th November 2022, being the going concern period, supporting their conclusions. Such forecasts consider the following:

- The planned extent of capital expenditure and future investment across the Company.
- A conservative approach as to the direct impact of Covid-19 and the recovery across all sectors of the Company applying forecasts endorsed and approved at Board and Group level.
- The wider economic impact of events in Ukraine in particular energy prices and rising costs of inflation.
- The Company's working capital requirements over the period.

These forecasts indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Notes to the financial statements

at 30 September 2021

1. Accounting policies (continued)

Going concern (continued)

However, the Directors are aware of the Group's Treasury policy, which may require funds to be transferred to other group entities or dividends to be paid. Consequently, the Company has obtained a letter of support from the Parent Company, TransDigm Group Inc, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The Parent Company has confirmed its ability to provide such support for the period from the date of approval of the Company's statement of financial position until 30 November 2023. The Directors have reviewed and considered the financial position of TransDigm Group Inc, and are satisfied that TransDigm Group Inc is able to provide any support that may be required.

Based upon the forecasts, and the letter of support, the Directors have concluded that the Company has adequate resources to continue to meet its liabilities as they fall due for a period to 30 November 2023. Therefore the Directors are satisfied they have a reasonable basis upon which to conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives, as follows:

Freehold buildings	- 50 years
Leasehold land and buildings	- over the lease term
Plant and machinery	- 3 to 15 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in prior years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments received on account.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 30 September 2021

1. Accounting policies (continued)

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and any gains or losses on translation are taken to the profit and loss account.

Leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and the finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Post-retirement benefits

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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Share-based payments

Certain employees have been granted share options in the ultimate parent undertaking. The fair value of options granted, if material, is recognised as an employee expense in the income statement with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using the "Black-Scholes" option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised in the income statement, if material, is adjusted at each balance sheet date to reflect the number of share options that vest revised for expected leavers and estimated achievement of non-market based vesting conditions.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Group considered that the Coronavirus Job Retention Scheme in the UK in relation to Covid-19 during 2021 met the definition of government grants in accordance with FRS 102.

Grants relating to expenditure on tangible fixed assets are credited to deferred income and amortised to the

Notes to the financial statements

at 30 September 2021

1. Accounting policies (continued)

Government grants (continued)

profit and loss account over the useful economic lives of the assets to which they relate. Grants of a revenue nature are credited to income in the year to which they relate.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Long term contracts

The Company estimates the stage of completion in order to determine revenue to be recognised. This is based on an estimate of costs to complete the project and factors in due considerations of changes in scope that may arise during the projects.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long-term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. An analysis of turnover by geographical market is given below.

	2021	2020
	£000	£000
United Kingdom	72,036	48,660
Rest of Europe	16,737	21,851
USA and Canada	14,390	10,914
Rest of World	4,910	5,037
	<u>108,073</u>	<u>86,462</u>

Notes to the financial statements

at 30 September 2021

3. Operating Profit

<i>This is stated after charging/(crediting):</i>	2021	2020
	£000	£000
Auditors' remuneration	122	116
Depreciation of owned fixed assets (see note 11)	2301	2,471
Depreciation of assets held under finance leases and hire purchase contracts (see note 11)	259	258
Operating lease rentals – plant and machinery	101	102
Research and development	(223)	(35)
Government Grants	(56)	(56)
Coronavirus Job Retention Scheme Grant	(602)	(2,132)
Restructuring Costs	577	1,054
Exchange losses	1,433	1,350
Loss/(Profit) on Disposal of Fixed Assets	377	(2)

4. Directors' remuneration

	2021	2020
	£000	£000
Remuneration	459	373
Company contributions paid to defined contribution pension schemes	26	24
	No.	No.
Members of the money purchase pension schemes	3	2

The highest paid director received remuneration of £181,000 (2020- £225,000). Company contributions paid to money purchase pension schemes with respect to this director were £12,000 (2020- £14,000) In addition, 1 Director exercised share options during the year issued by the ultimate parent (2020- 0 Director exercised share options). In the director's opinion, the costs associated with the director not based in the United Kingdom are not material and therefore no remunerations are included for their services as directors.

5. Staff costs

	2021	2020
	£000	£000
Wages and salaries	29,951	29,980
Social security costs	2,913	2,642
Other pension costs (note 18)	1,207	1,267
	34,071	33,889

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

	No.	No.
Manufacturing	551	667
Administration	141	143
	692	810

Notes to the financial statements

at 30 September 2021

6. Government grants

The Company has benefited from a number of government support packages during 2021 in relation to the Covid-19 pandemic. Income received under furlough support schemes (Coronavirus Job Retention Scheme) amounting to £602,000 (2020 - £2,132,000) meets the definition of government grants and has been presented within other operating income. Amounts received in the year are shown below:

	2021 £000	2020 £000
At 30 September 2020	(236)	-
Received during the year	838	1,896
Released to the profit and loss account	(602)	(2,132)
At 30 September 2021	<u>-</u>	<u>(236)</u>

7. Interest payable and similar charges

	2021 £000	2020 £000
Finance charges payable under finance leases	37	45
Other Interest payable	1	10
	<u>38</u>	<u>55</u>

8. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest receivable	10	1
Interest receivable from group undertakings	612	570
	<u>622</u>	<u>571</u>

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2021 £000	2020 £000
Current tax:	2,053	3,251
Adjustments in respect of prior years	(368)	(706)
Total current tax	<u>1,685</u>	<u>2,545</u>
Deferred tax:		
Origination and reversal of timing differences	210	63
Adjustment in respect of previous periods	25	21
Effects of changes in tax rates	62	(11)
Total deferred tax (note 9(c))	<u>297</u>	<u>73</u>
Tax on profit on ordinary activities	<u>1,982</u>	<u>2,618</u>

Notes to the financial statements

at 30 September 2021

9. Tax (continued)

(b) *Factors affecting tax credit for the year*

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	25,956	17,066
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 – 19.00%)	4,932	3,243
<i>Effects of:</i>		
Expenses not deductible for tax purposes	119	118
Income not taxable	(37)	(47)
Group relief not paid for	(2,631)	-
Adjustments to tax charge in respect of prior years	(343)	(685)
Rate Change	62	(11)
Share Options	(63)	-
Effects of fixed asset super-deduction	(57)	-
Total tax expense (note 9(a))	<u>1,982</u>	<u>2,618</u>

(c) *Deferred tax*

Deferred tax has been provided at a rate of 25% (2020: 19%) following the decision that the UK corporation tax rate should increase to 25% (effective from 1 April 2023 and substantively enacted on 24 May 2021).

	£000
At 30 September 2020	37
Adjustment in respect of prior years	(25)
Charge to the profit and loss account during the year (note 9(a))	(272)
At 30 September 2021	<u>(260)</u>

The elements of deferred taxation are as follows:

	2021 £000	2020 £000
Differences between accumulated depreciation and amortisation and capital allowances	(301)	(8)
Other timing differences	41	45
Deferred tax (Liability) / Asset	<u>(260)</u>	<u>37</u>

Notes to the financial statements

at 30 September 2021

10. Dividends

	2021 £000	2020 £000
Equity shares: Dividend paid	27,900	-

11. Tangible fixed assets

	<i>Freehold land and buildings</i> £000	<i>Short-leasehold land and buildings</i> £000	<i>Plant and machinery</i> £000	<i>Assets Under Construction</i> £000	<i>Total</i> £000
Cost:					
At 30 September 2020	14,273	639	25,185	-	40,097
Additions	398	-	1,293	156	1,847
Disposals	-	-	(464)	-	(464)
Transfers	-	-	-	-	-
At 30 September 2021	14,671	639	26,014	156	41,480
Depreciation:					
At 30 September 2020	4,516	267	14,497	-	19,280
Charge for the year	569	56	1,935	-	2,560
Disposals	-	-	(87)	-	(87)
At 30 September 2021	5,085	323	16,345	-	21,753
Net book value:					
At 30 September 2021	9,586	316	9,669	156	19,727
At 30 September 2020	9,757	372	10,688	-	20,817

The net book value of freehold land and buildings includes £1,425,000 (2020 - £1,685,000) in respect of a sale and leaseback of a property resulting in a finance lease.

12. Stocks

	2021 £000	2020 £000
Raw materials and consumables	6,856	9,060
Work in progress	4,061	2,485
Finished goods and goods for resale	1,705	2,457
	12,622	14,002

The following amounts are recorded in respect of long term contracts:

	2021 £000	2020 £000
Amounts recoverable on contracts included in debtors	12,877	1,103
Deferred revenue on contracts included in creditors	2,969	3,797

Notes to the financial statements

at 30 September 2021

13. Debtors

	2021	2020
	£000	£000
Trade debtors	14,447	14,069
Loans to group undertakings	7,695	9,091
Government Grants (note 6)	-	236
Other debtors	2,470	480
Prepayments and accrued income	1,010	880
Amounts recoverable on contracts	12,877	1,103
Amounts owed from group undertakings	13	14
	<u>38,512</u>	<u>25,873</u>

14. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	6,314	4,464
Amounts owed to group undertakings	58	2,233
Obligations under Finance leases and hire purchase agreements (note 19)	269	263
Tax and social security costs	117	1,959
Other creditors	277	258
Accruals and deferred Income	5,232	4,311
Corporation Tax	817	1,564
	<u>13,084</u>	<u>15,052</u>

15. Creditors: amounts falling due greater than one year

	2021	2020
	£000	£000
Obligations under Finance Leases and hire purchase agreements (note 19)	1,283	1,552
Deferred Grants	978	1,033
Accruals and deferred Income	-	2,257
	<u>2,261</u>	<u>4,842</u>

The company was previously awarded a grant to implement the building of a new engineering and manufacturing facility. The grant is recognised to income over the useful economic life of the facility. During the year, £56,000 (2020 - £56,000) was credited to the Income Statement.

16. Issued share capital

	2021		2020	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	12,927,000	<u>12,927</u>	12,927,000	<u>12,927</u>

Notes to the financial statements

at 30 September 2021

17. Guarantees and commitments

- (a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2021	2020
	£000	£000
Contracted	441	52

- (b) The company has underwritten the financial liability of certain employees at the year-end relating to an employee car ownership scheme amounting to £146,000 (2020 – £79,000)

18. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,207,000 (2020 – £1,267,000). Contributions amounting to £258,000 (2020 – £241,000) were payable to the scheme and included in creditors.

19. Obligations under leases

The company's commitments to future minimum lease payments due under finance leases are as follows:

	2021	2020
	£000	£000
Amounts Payable:		
Within one year	300	300
In two to five years	1,200	1,200
Over 5 Years	150	450
	1,650	1,950
Less: finance charges allocated to future years	(98)	(135)
	1,552	1,815

The company has future minimal rentals payable under non-cancellable operating leases as set out below:

	2021		2020	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	-	78	-	98
In two to five years	-	53	-	91
Over five years	-	-	-	-
	-	131	-	189

Notes to the financial statements

at 30 September 2021

20. Related party transactions

The company has not disclosed transactions with other Group companies or key management personnel, as it has taken advantage of the exemption contained within FRS 102.33.1A and FRS102.33.7 on the grounds that the subsidiaries are wholly owned.

21. Ultimate parent undertaking and controlling party

The immediate parent company is Darchem Holdings Limited, a company incorporated in Scotland.

The directors consider the ultimate parent undertaking and controlling party to be TransDigm Group Inc., a company incorporated in the United States of America. This is the parent of the largest group for which financial statements are prepared and of which the company is a member.

The group financial statements, which include the company, may be obtained from:

TransDigm Group Inc.
The Tower at Erieview
1301 East 9th St.
Suite 3000
Cleveland, OH 44114

The intermediate parent undertaking is Darchem Holdings Limited, who prepare and publish group financial statements in the UK.

22. Reserves

Share premium account

The reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This records cumulative amount of profits and losses less and dividend distributions paid.

Notes to the financial statements

at 30 September 2021

23. Financial Instruments

	<i>Year ended</i> <i>30 September</i> <i>2021</i> <i>£000</i>	<i>Year ended</i> <i>30 September</i> <i>2020</i> <i>£000</i>
<i>Financial assets measured at amortised cost</i>		
Trade Debtors	14,447	14,069
Loans to group undertakings	7,695	9,091
Amounts Recoverable on contracts	12,877	1,103
Other debtors	2,470	716
Cash and Bank	10,026	28,372
Amounts due from group undertakings	13	14
	<hr/>	<hr/>
	<i>Year ended</i> <i>30 September</i> <i>2021</i> <i>£000</i>	<i>Year ended</i> <i>30 September</i> <i>2020</i> <i>£000</i>
<i>Financial liabilities measured at amortised cost</i>		
Trade Creditors	6,314	4,464
Amounts owed to group undertakings	58	2,233
Obligations under finance leases and hire purchase agreements	1,552	1,815
Accruals and other creditors	5,626	6,528
	<hr/>	<hr/>