

Company registration number 04052309 (England and Wales)

AISH TECHNOLOGIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

AISH TECHNOLOGIES LIMITED

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AISH TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors	D P Hyde R D Elkington T Burley
Company number	04052309
Registered office	Fleets Point Willis Way Poole Dorset BH15 3SS
Auditor	Azets Audit Services 37 Commercial Road Poole Dorset BH14 0HU

AISH TECHNOLOGIES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present the strategic report for the Period ended 31 December 2022.

The principal activity of the Company is the design, manufacture and support of products used in surface ships, submarines, radar, communications, combat systems, electronics and specialist military vehicles.

Business Review

The loss for the financial period amounted to £2,176,000 (year ended 31 March 2022: £3,711,000 loss) and was due to an increase in turnover despite the nine-month accounting period, coupled with an improvement in gross margin percentage, ongoing cost control measures and lower interest expense.

Turnover for the period was higher than the year ended 31 March 2022 at £9,103,000 compared to £8,910,000. Turnover note 3 provides detailed analysis of turnover by geographical market. Construction contracts made up approximately 75% of turnover up from 72% in the year ended 31 March 2022. UK customers continue to contribute more than 70% of turnover.

The Company's net liabilities at the period-end were £920,000 (31 March 2022: net assets £1,256,000). Net current liabilities were £1,294,000, a decrease of £2,169,000 (31 March 2022: net current assets of £875,000) primarily due to an increase of £5,657,000 in intercompany creditors offset by an increase in trade debtors of £2,168,000 and prepayments and accrued income of £1,045,000. The closing cash balance at the reporting date had decreased to £81,000 (31 March 2022: £221,000).

The Company's performance has improved subsequent to the period end with execution against the order book progressing as planned. Orders have increased by £6,831,000, in both the UK and the USA since March 2022, although the most significant increase is in the UK. Planned improvement programmes are in place and are starting to deliver cost savings across cost of sales and administrative expenses. £420,000 of restructuring costs were recognised in the current financial period. These trends are expected to continue into the short and medium term.

Principal risks and uncertainties

The Company considers the key risks as financial, operational and commercial.

Financial risks are mitigated through careful management of liquidity funding coupled with the hedging of foreign exchange risk. Additionally, the Company is exposed to credit risk, which it manages through customer vetting, management of terms of trade and close monitoring of aged debt.

Operational risk is managed through a combination of internal monitoring activities and external compliance audits, close and transparent management reporting and maintaining appropriate levels of insurance. Business improvement and quality programmes are operated within the Company and are regularly reviewed and updated.

Commercial risk is managed through developing products which require complex technical characteristics in niche markets requiring high levels of competitive barriers to entry and the maintenance of high standards of quality.

There is a high level of transparency and accountability of the Company operations to the Board of Directors.

AISH TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Key performance indicators

The Company monitors and reports KPIs covering all aspects of the business to the Board of Directors of the ultimate parent company. The main indicators are discussed below:

The Company's revenue has increased from £8,910,000 to £9,103,000, as explained above.

There was a increase in EBITDA from a loss of £4,704,000 to a loss of £2,508,000 mainly due to an increase in revenue of 2% combined with reduced cost of sales and high fixed administrative costs. EBITDA is calculated as operating loss of £2,714,000 (2021: £4,991,000 operating loss) adding back depreciation in the period of £105,000 (year ended 31 March 2022: £149,000) and amortization in the period of £101,000 (year ended 31 March 2022: £138,000).

The order book has increased by £6,831,000 (£17,260,000 to £24,091,000) in the period. The order book supports future volumes over a number of years going forward.

Cash and cash equivalents have decreased by 71% from £221,000 to £81,000.

The directors recognise the performance against these KPIs has deteriorated during this financial year and have addressed the key concerns of increased cost of sales and fixed administrative costs in the planned improvement programme. The directors are satisfied that the combination of improved revenue and delivery of the cost reduction programme, that is underway, will return the Company to profitability.

Directors' duties under s172(1)

The directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 and include a duty to promote the success of the Company for the benefit of its members as a whole.

The directors fulfil these duties through engagement with shareholders, employees, suppliers, customers and regulators and these are detailed as follows:

Shareholders

The Company make distributions to their shareholders by the use of dividend payment at the discretion of the ultimate parent company.

Engagement with employees

Employee involvement is promoted through regular consultation on issues concerning business performance, working conditions, industry trends and future developments. The Company continues to keep staff informed and involved through communication channels such as email, newsletter and town hall presentations.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

AISH TECHNOLOGIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Engagement with customers, suppliers, and others

Customers

Every customer has a team continually engaging with them and adapting our approach to ensure their needs are met. Formal feedback is obtained and reviewed at all levels of our organisation to ensure we continuously improve and evolve our business processes and delivery solutions.

Suppliers

In addition to day-to-day engagement through normal business activity, we actively engage with key partners through a series of 'Board to Board' meetings with the executive team and their counterparts in other key industry partners.

We engage with our suppliers through regular review meetings. This engagement ensures we are partnering effectively to support our customers.

Regulators

We engage with regulators via meetings, audits and reports. Through engagement we are able to ensure we continue to meet the high standards expected by regulators.

On behalf of the board

D P Hyde

Director

29 September 2023

AISH TECHNOLOGIES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the Period ended 31 December 2022.

Results and dividends

The results for the Period are set out on page 12.

No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

D P Hyde

R D Elkington

T Burley

(Resigned 6 May 2022)

T Burley

Qualifying third party indemnity provisions

The Company has entered into indemnity deeds with all its current Directors containing qualifying third party indemnity provisions, as defined in Section 234 of the Companies Act 2006, under which the Company has agreed to indemnify each Director in respect of certain liabilities, which may be attached to them as Directors of the Company or any of its subsidiaries.

All such indemnity provisions are in force during the year and as at the date of this Directors' Report.

Auditor

Azets Audit Services were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Principal risks and uncertainties

The Company's principal risks and uncertainties are included in the Strategic Report.

Financial risk management

The Company is exposed to a variety of financial risks as a result of its operations, these are the effect of changes in liquidity risk, interest rate risk, credit risk and foreign currency risk.

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations. The Company manages this risk through a weekly rolling cash flow forecast to monitor expected cash requirements in the future. The Company is party to a cross-guarantee securing the overdraft and certain other financing facilities of other group companies.

Interest rate risk

The Company considers interest rate risk to be low as the interest-bearing liabilities are inter-group loans.

Credit risk

The Company considers credit risk to be low due to the nature of the customer base and levels of direct and indirect government contracts. The Company monitors credit limits and carries out credit checks to minimise credit risk.

AISH TECHNOLOGIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Foreign currency risk

The Company has exposure to a number of foreign currencies through its purchases and sales of products. Exposure is principally to US dollars and Euros. The Company manages its exposure primarily through natural hedges in the wider International Group and where applicable takes out forward foreign currency contracts.

Given the size of the Company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board.

Future developments

A review of the business and the future developments of the Company are presented in the Strategic Report on page 2.

Going Concern

Given the interrelationship between the Company and its fellow UK subsidiaries, all of which are headed by AGI UK Acquisition Limited, the Directors review the forecasts and projections of the wider UK group headed by AGI UK Acquisition Limited ("the Group") taking account of reasonably possible changes in trading performance to assess the ability of the Group, and therefore the Company, to continue as a Going Concern.

Following a group restructure and consequent refinancing in April 2022, the Group has no external debt and is funded through intercompany loans from TMS Group Holdings LLC. Whilst the Group is forecast to remain cash generative, it will from time to time require additional funding from the parent, and also assurance that the loan balances will not be recalled. Therefore, the Group receives confirmation from its parent company, TMS Group Holdings LLC, that it will support each of AGI UK Acquisition Limited and its subsidiaries, for a period of not less than 12 months from the approval of these financial statements.

After assessing the principal risks the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

On behalf of the board

D P Hyde
Director

29 September 2023

AISH TECHNOLOGIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

AISH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AISH TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Aish Technologies Limited (the 'company') for the Period ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the Period 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 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 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AISH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AISH TECHNOLOGIES LIMITED

Matters on which we are required to report by exception

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

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.

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.

AISH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AISH TECHNOLOGIES LIMITED

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the Company operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

AISH TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AISH TECHNOLOGIES LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Mr Andrew Singleton (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

29 September 2023

Chartered Accountants
Statutory Auditor

37 Commercial Road
Poole
Dorset
BH14 0HU

AISH TECHNOLOGIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

		Period ended 31 December 2022 £'000	Year ended 31 March 2022 £'000
	Notes		
Turnover	3	9,103	8,910
Cost of sales		(8,453)	(10,464)
Gross profit/(loss)		650	(1,554)
Administrative expenses		(3,368)	(3,694)
Other operating income		4	257
Operating loss	5	(2,714)	(4,991)
Interest receivable and similar income	9	1	-
Interest payable and similar expenses	10	(1)	(258)
Loss before taxation		(2,714)	(5,249)
Tax on loss	11	538	1,538
Loss for the financial Period		(2,176)	(3,711)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

AISH TECHNOLOGIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

			31 December 2022		31 March 2022
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	12		125		226
Tangible assets	13		646		243
			<u>771</u>		<u>469</u>
Current assets					
Stocks	14	1,715		1,872	
Debtors falling due after more than one year	16	2,127		1,570	
Debtors falling due within one year	16	7,929		4,611	
Cash at bank and in hand		81		221	
		<u>11,852</u>		<u>8,274</u>	
Creditors: amounts falling due within one year	17	(13,146)		(7,399)	
Net current (liabilities)/assets			<u>(1,294)</u>		<u>875</u>
Total assets less current liabilities			<u>(523)</u>		<u>1,344</u>
Provisions for liabilities					
Provisions	18	397	(397)	88	(88)
Net (liabilities)/assets			<u>(920)</u>		<u>1,256</u>
Capital and reserves					
Called up share capital	21		6,000		6,000
Profit and loss reserves			(6,920)		(4,744)
Total equity			<u>(920)</u>		<u>1,256</u>

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

D P Hyde
Director

Company Registration No. 04052309

AISH TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£'000	£'000	£'000
Balance at 1 April 2021		-	(1,033)	(1,033)
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(3,711)	(3,711)
Issue of share capital	21	6,000	-	6,000
Balance at 31 March 2022		6,000	(4,744)	1,256
Period ended 31 December 2022:				
Loss and total comprehensive income for the period		-	(2,176)	(2,176)
Balance at 31 December 2022		6,000	(6,920)	(920)

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Aish Technologies Limited is engaged in advanced engineering and manufacturing and through life support of electronic and mechanical systems that are used on land and at sea. The Company's principal business is the design, manufacture and support of products used in surface ships, submarines, radar, communications, combat systems, electronics and specialist military vehicles.

The Company is a private company limited by shares and is incorporated and registered in England, United Kingdom. The address of its registered office is Fleets Point, Willis Way, Poole, Dorset, BH15 3SS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of TMS Group Holdings LLC. These consolidated financial statements are available from 2011 Crystal Drive, Suite 1102, Arlington, VA 22202, United States.

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.2 Going concern

Given the interrelationship between the Company and its fellow UK subsidiaries, all of which are headed by AGI UK Acquisition Limited, the Directors review the forecasts and projections of the wider UK group headed by AGI UK Acquisition Limited ("the Group") taking account of reasonably possible changes in trading performance to assess the ability of the Group, and therefore the Company, to continue as a Going Concern.

Following a group restructure and consequent refinancing in April 2022, the Group has no external debt and is funded through intercompany loans from TMS Group Holdings LLC. Whilst the Group is forecast to remain cash generative, it will from time to time require additional funding from the parent, and also assurance that the loan balances will not be recalled.

Therefore, the Group receives confirmation from its parent company, TMS Group Holdings LLC, that it will support each of AGI UK Acquisition Limited and its subsidiaries, for a period of not less than 12 months from the approval of these financial statements.

After assessing the principal risks the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The reporting period has been shortened to 9 months to align the financial year end with the TMS Group Holdings LLC group. Therefore, this set of financial statements will not be entirely comparable with the other periods.

1.4 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Long term contract accounting is applied where a contract is specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Therefore revenue is recognised on a percentage of completion basis whereby a portion of the contract revenue is recognised based on contract costs incurred to date. This is primarily by reference to total cost or labour hours dependant what best reflects the underlying effort, compared with total estimated costs at completion. Profits are determined once the outcome of the contract can be assessed with reasonable certainty, after making reserves against all anticipated costs, including possible warranty claims. Where billing milestones is considered to be a fair proxy for percentage of completion on a contract, revenue is then recognised based on the achievement of specified contractual billing milestones.

Where contracts are subject to bill and hold arrangements, title passes to the customer and sales are recognised on the billing date. Further to this, inventory is on hand at the year end and ready for delivery, the buyer has accepted title of the goods and agreed a deferred delivery date, standard payment terms apply to invoices raised and delivery of goods remains probable.

1.5 Research and development expenditure

Research and development expenditure is written off as incurred, in the period in which the expenditure arises. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and are amortised to the Statement of Comprehensive Income over their estimated useful economic life of three years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Expenditure costs related to development are specific project costs, which are separately identifiable, measurable and management are satisfied as to the ultimate technical and commercial viability of the project. Development costs are capitalised when recoverability can be assessed with reasonable certainty.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	3 years
Development costs	3 years

1.7 Tangible fixed assets

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

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

Leasehold improvements	10% to 25%
Plant and equipment	10% to 25%
Fixtures and fittings	12% to 33%
Computers	20% to 33%

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

1.8 Impairment of fixed assets

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

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

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

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

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.13 Taxation

The tax expense for the year comprises current and deferred tax.

Current tax

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

Deferred tax

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

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

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 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 period 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.

1.16 Retirement benefits

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

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the statement of comprehensive 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 leases asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 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 at the balance sheet date and the amounts reported for revenue and expenses during the year. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

It is the view of the Directors that no critical accounting judgements in applying the entity's accounting policies have been made in these financial statements.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Stock provisioning

The Company manufactures and sells aviation and marine systems from the United Kingdom. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated ability to sell finished goods and future usage of raw materials. See note 14 for the carrying amount of the stock and associated provision.

Revenue recognition for long term contracts

For long term fixed price contracts the Company recognises the revenue once the outcome of the contract can be reliably estimated, and recognises revenue according to the stage of completion of the contract, on a percentage cost basis. Reliable estimation of both the outcome and the revenue to be recognised in the year requires management to assess for each such contract the stage of completion, future costs in fulfilling the contract and collectability of resulting debtors. A provision is recognised for those contracts where a loss is estimated on the total contract. A provision has been recognised in respect of an onerous contract amounting to £nil (31 March 2022: £206,000) during the current period.

Deferred tax asset

The Company has a deferred tax asset of £2,127,000 (31 March 2022: £1,570,000) at the period end. As a result, it is necessary to consider the recoverability of the asset, in doing so management considered the current order book and future business plans of the Company and has concluded the asset is recoverable. Note 1.13 outlines the accounting policy for Deferred Tax.

3 Turnover

	31 December 2022 £'000	31 March 2022 £'000
Turnover analysed by class of business		
Sales of goods	2,222	2,479
Construction contracts	6,881	6,431
	<u>9,103</u>	<u>8,910</u>
	<u><u>9,103</u></u>	<u><u>8,910</u></u>
	31 December 2022 £'000	31 March 2022 £'000
Turnover analysed by geographical market		
United Kingdom	6,451	6,409
USA	2,652	2,501
	<u>9,103</u>	<u>8,910</u>
	<u><u>9,103</u></u>	<u><u>8,910</u></u>

4 Other operating income

	31 December 2022 £'000	31 March 2022 £'000
Research & development credits	-	257
	<u>-</u>	<u>257</u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Operating loss

	31 December 2022 £'000	31 March 2022 £'000
Operating loss for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(56)	85
Depreciation of owned tangible fixed assets	105	149
Loss on disposal of tangible fixed assets	1	3
Amortisation of intangible assets	101	138
Operating lease charges	414	534
	<u> </u>	<u> </u>

6 Auditor's remuneration

	31 December 2022 £'000	31 March 2022 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	25	84
	<u> </u>	<u> </u>

7 Employees

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

	31 December 2022 Number	31 March 2022 Number
Manufacturing	101	104
Sales, administration and distribution	37	40
Engineering	26	26
	<u> </u>	<u> </u>
Total	164	170
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	31 December 2022 £'000	31 March 2022 £'000
Wages and salaries	4,190	5,392
Social security costs	578	658
Pension costs	225	275
	<u> </u>	<u> </u>
	4,993	6,325
	<u> </u>	<u> </u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Directors' remuneration

	31 December 2022 £'000	31 March 2022 £'000
Remuneration for qualifying services	466	618
Company pension contributions to defined contribution schemes	50	18
	<u>516</u>	<u>636</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	31 December 2022 £'000	31 March 2022 £'000
Remuneration for qualifying services	232	340
	<u>232</u>	<u>340</u>

Included in the above, during the period £424,907 (31 March 2022: £414,652) was recharged to other group companies in respect of their costs.

9 Interest receivable and similar income

	31 December 2022 £'000	31 March 2022 £'000
Interest income		
Interest on bank deposits	1	-
	<u>1</u>	<u>-</u>

10 Interest payable and similar expenses

	31 December 2022 £'000	31 March 2022 £'000
Interest on bank overdrafts and loans	-	254
Other interest	1	4
	<u>1</u>	<u>258</u>

11 Taxation

	31 December 2022 £'000	31 March 2022 £'000
Current tax		
Adjustments in respect of prior periods	19	(49)
	<u>19</u>	<u>(49)</u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Taxation

(Continued)

	31 December 2022	31 March 2022
Deferred tax		
Origination and reversal of timing differences	(679)	(1,392)
Adjustment in respect of prior periods	122	(97)
	<u> </u>	<u> </u>
Total deferred tax	(557)	(1,489)
	<u> </u>	<u> </u>
 Total tax credit	 (538)	 (1,538)
	<u> </u>	<u> </u>

The actual credit for the Period can be reconciled to the expected credit for the Period based on the profit or loss and the standard rate of tax as follows:

	31 December 2022 £'000	31 March 2022 £'000
Loss before taxation	(2,714)	(5,249)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(516)	(997)
Tax effect of expenses that are not deductible in determining taxable profit	-	1
Adjustments in respect of prior years	141	(146)
Effect of change in corporation tax rate	(163)	(346)
Research and development tax credit	-	(50)
	<u> </u>	<u> </u>
Taxation credit for the period	(538)	(1,538)
	<u> </u>	<u> </u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This proposal was substantively enacted 24 May 2021 and therefore the effects of the rate change are included in these financial statements.

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

12 Intangible fixed assets

	Software £'000	Development costs £'000	Total £'000
Cost			
At 1 April 2022 and 31 December 2022	464	376	840
Amortisation and impairment			
At 1 April 2022	457	157	614
Amortisation charged for the Period	7	94	101
At 31 December 2022	464	251	715
Carrying amount			
At 31 December 2022	-	125	125
At 31 March 2022	7	219	226

13 Tangible fixed assets

	Leasehold improvements £'000	Assets under construction £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost						
At 1 April 2022	101	-	2,162	569	727	3,559
Additions	-	495	1	4	9	509
Disposals	-	-	(52)	(2)	(80)	(134)
At 31 December 2022	101	495	2,111	571	656	3,934
Depreciation and impairment						
At 1 April 2022	84	-	2,144	429	659	3,316
Depreciation charged in the Period	12	-	4	59	30	105
Eliminated in respect of disposals	-	-	(51)	(2)	(80)	(133)
At 31 December 2022	96	-	2,097	486	609	3,288
Carrying amount						
At 31 December 2022	5	495	14	85	47	646
At 31 March 2022	17	-	18	140	68	243

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

14 Stocks

	31 December 2022 £'000	31 March 2022 £'000
Raw materials and consumables	1,377	1,435
Work in progress	338	437
	<u>1,715</u>	<u>1,872</u>

The difference between purchase price or production cost of stock and its replacement cost is not material. Inventories are stated after provisions for impairment of £480,000 (31 March 2022: £434,000).

15 Financial instruments

	31 December 2022 £'000	31 March 2022 £'000
Financial assets that are measured at amortised cost		
Trade debtors	3,899	1,732
Amounts owed by group companies	16	15
Accrued income	2,996	2,025
	<u>6,911</u>	<u>3,772</u>
Financial liabilities that are measured at amortised cost		
Trade creditors	705	1,740
Amounts owed to group companies	7,044	1,387
Other creditors	543	809
Accruals	490	470
	<u>8,782</u>	<u>4,406</u>

16 Debtors

	31 December 2022 £'000	31 March 2022 £'000
Amounts falling due within one year:		
Trade debtors	3,899	1,731
Corporation tax recoverable	133	152
Amounts owed by group undertakings	16	15
Other debtors	530	407
Prepayments and accrued income	3,351	2,306
	<u>7,929</u>	<u>4,611</u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

16 Debtors (Continued)

	31 December 2022 £'000	31 March 2022 £'000
Amounts falling due after more than one year:		
Deferred tax asset (note 19)	2,127	1,570
	<u> </u>	<u> </u>
Total debtors	<u>10,056</u>	<u>6,181</u>

Trade debtors are stated after provisions for impairment of £34,000 (31 March 2022: £21,000).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

17 Creditors: amounts falling due within one year

	31 December 2022 £'000	31 March 2022 £'000
Trade creditors	705	1,740
Amounts owed to group undertakings	7,044	1,387
Taxation and social security	699	411
Other creditors	543	809
Accruals and deferred income	4,155	3,052
	<u>13,146</u>	<u>7,399</u>

Amounts owed to group undertakings are unsecured and repayable on demand. No interest has been charged on these amounts during the period (31 March 2022: £5,383,947 at 5.8360% and \$970,000 at 5.8360%).

18 Provisions for liabilities

	31 December 2022 £'000	31 March 2022 £'000
Warranty provision	15	88
Project provision	382	-
	<u>397</u>	<u>88</u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

18 Provisions for liabilities

(Continued)

Movements on provisions:

	Warranty provision £'000	Project provision £'000	Total £'000
At 1 April 2022	88	-	88
Additional provisions in the period	-	382	309
Reversal of provision	(73)	-	-
At 31 December 2022	15	382	397

Warranty provisions

The provision represents the best estimate of the potential exposure on customer claims against work carried out. It is expected that any transfer of economic benefits will occur within two years.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

	Liabilities 31 December 2022 £'000	Liabilities 31 March 2022 £'000	Assets 31 December 2022 £'000	Assets 31 March 2022 £'000
Balances:				
Accelerated capital allowances	40	84	-	-
Tax losses	-	-	2,150	1,527
Research and development expenditure credit (RDEC)	-	-	-	127
Short term timing differences	-	-	17	-
	40	84	2,167	1,654

Movements in the Period:

	2022 £'000
Asset at 1 April 2022	(1,570)
Credit to profit or loss	(557)
Asset at 31 December 2022	(2,127)

The deferred tax asset set out above is expected to reverse after 12 months.

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

20 Retirement benefit schemes

	31 December 2022 £'000	31 March 2022 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	225	275

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The charge in the period was £225,000 (31 March 2022: £275,000). The unpaid contributions outstanding at the period end, included in "Other creditors" (note 17), are £71,000 (31 March 2022: £63,000).

21 Share capital

	31 December 2022 Number	31 March 2022 Number	31 December 2022 £'000	31 March 2022 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	60,003,516	60,003,516	6,000	6,000

22 Financial commitments, guarantees and contingent liabilities

The Company was party to a cross guarantee under the BNP Paribas loan documents (per the UK guarantee, dated 30 June 2016 as amended and restated on 28 July 2017, 31 January 2019, 31 July 2020 and 17 August 2020). Following a group restructure in April 2022 the AGI Group (including Aish Technologies Limited) repaid its previous BNP Paribas banking facility and the above guarantee has been cancelled.

As part of the normal process of trade, BNP Paribas provides certain performance and advance payment guarantees required by some customers in relation to contracts entered into by the Group. In return, the Group provides the bank with counter indemnities for the granting of such guarantees, which amounted to £Nil at 31 December 2022 (31 March 2022: £455,000).

The Group has indemnified BNP Paribas in connection with a duty deferment guarantee in favour of HM Revenue & Customs in the sum of £Nil (31 March 2022: £100,000).

At the period end date the Company had guaranteed or had joint and several liability for drawn AGI Holdings LLC bank facilities of £Nil (31 March 2022: £42,459,000) provided to certain Group companies.

23 Operating lease commitments

Lessee

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

	31 December 2022 £'000	31 March 2022 £'000
Within one year	324	558
Between two and five years	30	174
	<u>354</u>	<u>732</u>

AISH TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 31 DECEMBER 2022**

24 Related party transactions

Related party transactions consist of transactions with other members of the AGI Holdings LLC Group and J F Lehman & Co, the manager of JFL Equity Investors III, L.P.

During the period J F Lehman & Co charged management fees and expenses to the Company totalling £94,333 (31 March 2022: £111,000). At the end of the period £nil (31 March 2022: £165,000) was outstanding.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group under the same ultimate controlling party.

25 Ultimate controlling party

The Company's immediate parent undertaking at 31 December 2022 is AGI UK Acquisition Limited, a Company incorporated in England & Wales. On 29 April 2022 AGI Holdings LLC was merged with Trident Maritime Systems LLC and the ultimate parent company is TMS Group Holdings LLC, a Company formed in Delaware in the United States. The directors consider that JFL Equity Investors III, L.P. and its affiliated funds are the ultimate controlling party of the group. The addresses of these companies are as follows:

Aeronautical & GI Holdings Limited:
Fleets Point, Willis Way, Poole, Dorset, BH15 3SS, UK

TMS Group Holdings LLC:
2011 Crystal Drive, Suite 1102, Arlington, VA 22202, United States

JFL Equity Investors III, L.P.:
2001 Jefferson Davis Hwy Suite 607, Arlington, VA 22202, United States

AGI UK Acquisition Limited:
Fleets Point, Willis Way, Poole, Dorset, BH15 3SS, UK

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