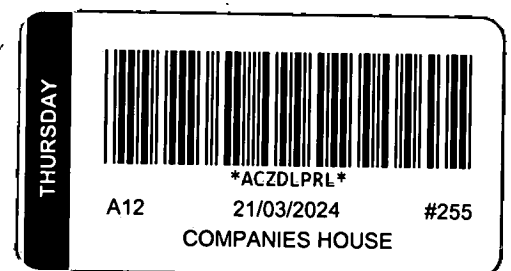


Company Registration No. 01198102

GLENAIR UK LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2023



GLENAIR UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

Officers and professional advisers	1
Strategic Report	2
Director's Report	5
Director's responsibilities statement	8
Independent auditor's report	9
Consolidated profit and loss account	13
Consolidated statement of comprehensive income	13
Consolidated balance sheet	14
Company balance sheet	15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated cash flow statement	18
Notes to the financial statements	19

GLENAIR UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T J Gaffney
Y Boralessa

COMPANY SECRETARY

T J Sheward

REGISTERED OFFICE

40 Lower Oakham Way
Oakham Business Park
Mansfield
Nottinghamshire
NG18 5BY

BANKERS

National Westminster Bank Plc
Corporate Banking
PO Box 7895
6th Floor, Cumberland Place
Nottingham
NG1 7LZ

SOLICITORS

Geldards LLP
The Arc
Enterprise Way
Nottingham
NG2 1EN

AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL

GLENAIR UK LIMITED

STRATEGIC REPORT

The directors present their strategic report for the company and its subsidiaries (together 'the group') for the year ended 30 September 2023.

Business review

The group continues to make significant investments in capital equipment and workspace to support new product introductions and growth of existing product lines. Total additions during the year to machinery and land / buildings were £8.0m and £4.4m, respectively (2022: £6.3m and £5.2m). See footnote 9 for additional details.

The consolidated balance sheet on page 14 shows that the group's financial position in net assets has increased to £129.8m (2022: £117.8m). This movement is a result of profits in the year of £21.8m (2022: £19.1m), and foreign currency translation gain of £0.8m (2022 loss: £0.7m), as shown in the consolidated profit and loss account and consolidated statement of comprehensive income on page 13.

The directors consider the following to be the key financial performance indicators of the group:

	2023 £m	2022 £m
Turnover	237.2	170.2
Operating profit	26.1	23.9
Net Cash	1.9	16.4
Tangible Assets	43.9	37.6

Turnover has increased by 39.4% by expanding in primary applications such as airframe, avionics, ground vehicles and tanks, homeland security, naval, oil/gas exploration, missile systems, radar systems and satellite/space programs.

Operating profit was lower, with the operating profit margin decreasing to 11.0% (2022: 14.1%) mainly due to wage rate inflation. The business continues to operate a flexible cost structure to respond to market changes. We work fairly but prudently with suppliers and vendors to ensure reasonable costs for materials and services.

The net cash position has reduced in the year to £1.9m (2022: £16.4m) due to increases in inventory levels, spending on fixed asset and a dividend paid in the current year of £9m (2022: £0). Full details of which are shown in the consolidated cash flow statement on page 18.

The quality of the Company's parts is measured and tracked by the Company based on the number of returns it receives from customers on parts delivered. The Company aims to achieve a quality target of at least 99.50%, of which the Company achieved a rating of 99.74% in 2023 and 99.9% in 2022.

The group's directors believe that further non-financial key performance indicators for the group are not necessary or appropriate for an understanding of the development, performance or position of the business.

Future developments

Currently only 35% of NATO countries meet the groups defence spending agreement of 2% of real GDP. Germany, France and Spain dramatic increase in defence spending will require them to place substantial orders in the near term.

Events post balance sheet date

There are no material post balance sheet events that took place to the date these financial statements were issued.

Principal risks and uncertainties

The group remains at risk from competitive pressure mainly from low-cost economies. The group manages this risk by keeping up to date on market information, maintaining strong relationships and providing a value-added service to its customers.

A significant amount of sales are in foreign currencies (US\$ & €) and therefore the group is exposed to a rate change in these currencies. The group monitors its exposure on a regular basis, and the risk is mitigated by natural hedges.

Cybersecurity incidents affecting our information technology systems could disrupt business operations, resulting in adverse impacts to our reputation and operating results and potentially leading to litigation and/or governmental investigations. The group has clear policies and procedures following industry standards to manage risk and improve our cybersecurity posture. Controlled penetration tests of all systems are performed regularly to mitigate unknown access points into their systems.

GLENAIR UK LIMITED

STRATEGIC REPORT (continued)

While there are risks and uncertainties anticipated from wage inflation and interest rates, these risk and uncertainties are not anticipated to have a material impact on the business as they are regularly monitored and our sales prices are adjusted accordingly.

Going concern

The Directors have carefully reviewed the going concern assumptions and are confident that is well placed to trade successfully through the economic uncertainty with the United Kingdom and Europe.

The strong net cash position of the group is expected to provide the group with reasonable headroom throughout the forecast period, being a period of at least twelve months from the date of approval of the financial statements.

In addition to the above, the group has a very well-balanced portfolio between different industries, and while no issues have been experienced with regards to the group's supply chain, the group has significant raw materials in case of any future disruption. As a consequence, the Directors believe the group is well placed to manage its business risks successfully.

The Directors, having reviewed projected cash flows, have a reasonable expectation that the company and group have 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 annual financial statements.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Section 172 Statement and Stakeholder Engagement

In accordance with section 172(1) of the Companies Act 2006, the Directors act in the way that they consider, in good faith, would most likely promote the success of the group for the benefit of its members as a whole having regard to the stakeholders set out in section 172(1) of the Companies Act 2006.

Key stakeholders of the group are its employees, suppliers, and customers. The Directors ensure the long-term vision and values of the group are adhered to through its communication of, and ensuring the group's decisions are based on, the guiding principles of the group. One of the key guiding principles of the group is building win-win business relationships which results in creating a positive benefit to each of its stakeholders.

Employees – Our people are fundamental to our success and we want them to be successful individually and as part of our team. The group aims to be a responsible employer as regards to, but not limited to, pay, benefits, and in particular, health and safety which is pivotal to the way the group does business. One of the key guiding principles is growing the Glenair family with quality people. This is achieved through a continued focus on the training and development of its employees to set them up with the ingredients to be successful. See further discussion around objectives intended to benefit the group's employees within the Directors' Report.

Suppliers – We believe our future success is dependent on the success of our supply chain and therefore build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. This has always been a focal point for the group, and has proven to be a worthwhile investment given the global supply chain constraints that most companies and industries are impacted by in the current environment. We regularly meet with our key suppliers and discuss key areas of focus that include innovation, product development, health and safety, sustainability, and issues they are facing and implement processes and actions to address their feedback in order to continue to maintain a good standing win / win-relationship with each of our supplier counterparties.

GLENAIR UK LIMITED

STRATEGIC REPORT (continued)

Customers – We have three guiding principles that are pivotal to our relationships with our customers: 1) Bow to the customer's convenience, 2) Protect the reputation of the organisation, and 3) Keep today's customer satisfied. These principles combined with our continuous efforts to solicit feedback from our customers regarding our current performance along with their future needs, allows us to position not only ourselves but our customers for future success. The group listens to the feedback from customers and makes its business decision to engage with its customers based on a long-term outlook. This approach has allowed the group to maintain long standing relationships with its customers.

Environment and Community – The company aims to minimise our impact on the environment by working hard to improve energy efficiencies (see page 6). We encourage local recruitment and foster strong relationships with local schools. The company operates apprenticeship schemes supported by local colleges.

Our Guiding Principles ensure that our reputation for high standards of business conduct is maintained. Whilst we acknowledge that not every decision will have a positive outcome for all our stakeholders, we do consider the company's strategic priorities and values, and believe we have a decision making process in place to enable us to make consistent and predictable decisions that allows the Company to act fairly between its members.

Approved by the Board of Directors
and signed on behalf of the Board



Y Boralessa
Director
20th March 2024

GLENAIR UK LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2023.

Details of future developments and financial risk management objectives and policies can be found in the Strategic report on page 2 and details of how the directors have had regard to the need to foster the company's business relationships and engagement with suppliers, customers and others, and the effect of that regard, including on the principle decisions taken by the company during the financial year can be found in the Strategic report on pages 3 and 4, and form part of this report by cross reference.

Principal activities

The principal activity of the group is the manufacture and supply of electronic components and interconnection systems. Glenair UK Limited is a wholly owned subsidiary of Glenair Inc. The UK group has principal operations in the UK, Italy, Germany, France, Sweden and Spain. There have not been any changes in the group's principal activities in the year under review.

Events post balance sheet date

There are no material post balance sheet events that took place to the date these financial statements were issued.

Research and Development

During the year the group has continued to invest in the Research and Development of its product ranges. This investment will enable us to expand our European manufacturing capability in the areas of RF & High Speed Product Solutions, Hermetic connectors, Space hold down release mechanisms and connectors for the Nuclear industry. This investment is considered by the directors to be of a medium-term and returns from this are expected in a similar timeframe.

Financial risk management objectives and policies

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes. The group has not used any derivative financial instruments to manage risk in the current or prior year.

Results and dividends

The audited financial statements for the year are set out on pages 13 to 36.

An indication of likely future developments in the business of the group is given in the strategic report.

During the year, the directors after considering distributable profits per the annual accounts, it was resolved to declare a dividend of £9m to Glenair Inc on 11th August 2023. No further dividends have been proposed. (2022: £nil).

Directors

The directors who served during the year and subsequently, except as noted, were as follows:

T J Gaffney
Y Boralessa

The company has made qualifying third-party indemnity provisions for the benefit of its directors and officers which were made during the year and remain in force at the date of this report.

There were no political donations made during the year (2022: none).

Supplier payment policy

The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The group's average creditor days in the year were 26 days (2022: 29 days).

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the

GLENAIR UK LIMITED

DIRECTORS' REPORT (continued)

training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. Employee representatives are consulted regularly on safety matters.

Annual Energy and Carbon Report

This report provides Glenair UK Limited's annual energy consumption and carbon dioxide, the energy consumption and carbon dioxide emissions data are based on the Streamlined Energy and Carbon Reporting requirements provided by the Government.

	Year ending 30 September 2023	Year ending 30 September 2022
Energy consumption used to calculate emissions (kWh)	4,509,655	4,409,505
Emissions from combustion of gas (Scope 1) tCO ₂ e	194.67	226.62
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	67.31	56.3
Emissions from purchased electricity (Scope 2) tCO ₂ e	862.31	552.68
Emissions from business Travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	17.78	16.46
Total gross emissions in metric tonnes CO₂e	1,142.07	852.06
Intensity ratio: tCO ₂ e gross figure / GBP 1,000,000 revenue	12.88	12.32

Methodology – Emissions are calculated using the actual consumption and the Government conversion factors for company reporting of greenhouse gas emissions. We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors.

Measures taken to improve energy efficiency - In 2022 in our newly commissioned building, we installed solar panels, the compressor house was fitted with a hot air recovery system to supplement the factory heating, and skylights were fitted in the roof to provide much of the daytime lighting. Our vehicle policy was changed so when petrol and diesel vehicles come up for replacement, they are being replaced with hybrid vehicles.

In 2023 we continue to farm clean energy from our solar panels and all lights within our buildings are now LED. We have installed EV charging points for use by staff and visitors. We have just completed our ESOS report with the intention to be carbon neutral by 2030.

GLENAIR UK LIMITED

DIRECTORS' REPORT (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

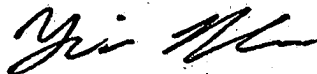
(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Y Boralessa
Director
20th March 2024

GLENAIR UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and 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 period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Glenair UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Glenair UK Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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.

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 group's and the parent 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 group or the parent 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our procedures performed to address them are described below:

- **Revenue cut-off:** There is risk that revenue is recognised in the incorrect period due to revenue being recognised before the risks and rewards have been transferred to the customer. We have assessed the design and implementation testing on the key controls management have in place to address the risk. Substantive testing procedures have been designed to address this risk and includes performing sample testing on despatches made either side of the year end and ensuring that revenue is recognised when risk has been transferred to the customer this has been performed by reviewing the contractual rights with each customer; and
- **Inventory provision:** There is risk that due to the judgemental nature of the provision that this has been calculated in an incorrect manner which could result in it being misstated at the period end. We have assessed the design and implementation of the controls management have in place to address the risk. Substantive procedures performed to assess mathematical accuracy and any manual adjustments made in relation to the adherence of provisioning policy in addition to assessing the appropriateness of the provision policy.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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.



Mark Lewis FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

20th March 2024

GLENAIR UK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2023

	Note	2023 £	2022 £
TURNOVER	3	237,162,089	170,186,209
Cost of sales		(165,064,304)	(110,575,059)
Gross profit		<u>72,097,785</u>	<u>59,611,150</u>
Administrative expenses		(45,960,414)	(35,663,728)
OPERATING PROFIT		<u>26,137,371</u>	<u>23,947,422</u>
Interest receivable and similar income		1,186,742	618,586
Interest payable and similar expenses	5	(387,248)	(125,006)
PROFIT BEFORE TAXATION	6	<u>26,936,865</u>	<u>24,441,002</u>
Tax on profit	7	(5,134,085)	(5,315,049)
PROFIT AFTER TAXATION		<u><u>21,802,780</u></u>	<u><u>19,125,953</u></u>

All activity derives from continuing operations.

The accompanying notes are an integral part of this consolidated profit and loss account.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 September 2023

	2023 £	2022 £
Profit for the financial year	21,802,780	19,125,953
Currency translation differences on foreign currency net investments	(836,895)	659,684
Total comprehensive income relating to the year	<u><u>20,965,885</u></u>	<u><u>19,785,637</u></u>

The accompanying notes are an integral part of this consolidated statement of comprehensive income.

GLENAIR UK LIMITED

CONSOLIDATED BALANCE SHEET
As at 30 September 2023

		2023	2022
	Note	£	£
FIXED ASSETS			
Goodwill	8	153,435	243,226
Tangible assets	9	43,936,419	37,637,910
		<u>44,089,854</u>	<u>37,881,136</u>
CURRENT ASSETS			
Stocks	11	50,549,961	36,531,058
Debtors	12	81,434,938	66,010,434
Cash at bank and in hand		12,031,523	18,944,342
		<u>144,016,422</u>	<u>121,485,834</u>
TOTAL ASSETS		188,106,276	159,366,970
CREDITORS: Amounts falling due within one year	13	(49,748,179)	(34,510,562)
NET CURRENT ASSETS		94,268,243	86,975,272
TOTAL ASSETS LESS CURRENT LIABILITIES		138,358,097	124,856,408
CREDITORS: Amounts falling due after more than one year	14	(8,603,215)	(7,067,411)
NET ASSETS		129,754,882	117,788,997
CAPITAL AND RESERVES			
Called-up share capital	17	650,000	650,000
Profit and loss account		126,129,114	113,326,334
Currency translation reserve		2,975,768	3,812,663
		<u>129,754,882</u>	<u>117,788,997</u>
SHAREHOLDER'S FUNDS		129,754,882	117,788,997

These financial statements were approved by the Board of Directors and authorised for issue on 20th March 2024

Signed on behalf of the Board of Directors



Y Boralessa
Director

The accompanying notes are an integral part of this consolidated balance sheet.

Company Registration No. 01198102

GLENAIR UK LIMITED

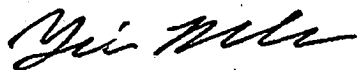
COMPANY BALANCE SHEET
As at 30 September 2023

	Note	2023 £	2022 (Restated) £
FIXED ASSETS			
Tangible assets	9	27,176,936	24,517,250
Investments	10	14,739,162	14,739,162
		<u>41,916,098</u>	<u>39,256,412</u>
CURRENT ASSETS			
Stocks	11	30,538,816	19,501,015
Debtors	12	43,366,835	39,122,439
Cash at bank and in hand		-	1,547,441
		<u>73,905,651</u>	<u>60,170,895</u>
CREDITORS: Amounts falling due within one year	13	<u>(11,833,596)</u>	<u>(8,383,789)</u>
NET CURRENT ASSETS		<u>62,072,055</u>	<u>51,787,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>103,988,153</u>	<u>91,043,518</u>
CREDITORS: Amounts falling due after more than one year	14	<u>(4,068,089)</u>	<u>(4,423,309)</u>
NET ASSETS		<u>99,920,064</u>	<u>86,620,209</u>
CAPITAL AND RESERVES			
Called-up share capital	17	650,000	650,000
Profit and loss account		99,270,064	85,970,209
		<u>99,920,064</u>	<u>86,620,209</u>
SHAREHOLDER'S FUNDS			
		<u>99,920,064</u>	<u>86,620,209</u>

The company has taken advantage of the exemption within s408 of the Companies Act 2006 and, consequently, a profit and loss account for the company alone is not presented. The parent company's profit for the financial year amounted to £22,299,855 (2022: £12,650,210).

These financial statements were approved by the Board of Directors and authorised for issue on 20th March 2024.

Signed on behalf of the Board of Directors



Y Boralessa
Director

The accompanying notes are an integral part of this balance sheet.

Company Registration No. 01198102

GLENAIR UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2023

	Note	Called-up share capital £	Profit and loss account £	Currency translation reserve £	Total £
At 1 October 2021		650,000	94,200,381	3,152,979	98,003,360
Profit for the financial year		-	19,125,953	-	19,125,953
Other comprehensive income		-	-	659,684	659,684
Total comprehensive income		-	19,125,953	659,684	19,785,637
At 30 September 2022		650,000	113,326,334	3,812,663	117,788,997
Profit for the financial year		-	21,802,780	-	21,802,780
Other comprehensive expense		-	-	(836,895)	(836,895)
Total comprehensive income/(expense)		-	21,802,780	(836,895)	20,965,885
Dividends	17	-	(9,000,000)	-	(9,000,000)
Total dividends and comprehensive income		-	12,802,780	(836,895)	11,965,885
At 30 September 2023		650,000	126,129,114	2,975,768	129,754,882

The accompanying notes are an integral part of this consolidated statement of changes in equity.

GLENAIR UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 30 September 2023

	Note	Called-up share capital £	Profit and loss account £	Total £
At 1 October 2021		650,000	73,319,999	73,969,999
Profit for the financial year		-	12,650,210	12,650,210
Other comprehensive result		-	-	-
Total comprehensive income		-	<u>12,650,210</u>	<u>12,650,210</u>
At 30 September 2022		650,000	85,970,209	86,620,209
Profit for the financial year		-	22,299,855	22,299,855
Other comprehensive result		-	-	-
Total comprehensive income		-	<u>22,299,855</u>	<u>22,299,855</u>
Dividends	17	-	<u>(9,000,000)</u>	<u>(9,000,000)</u>
Total dividend and comprehensive income		-	<u>13,299,855</u>	<u>13,299,855</u>
At 30 September 2023		<u>650,000</u>	<u>99,270,064</u>	<u>99,920,064</u>

The accompanying notes are an integral part of this statement of changes in equity.

GLENAIR UK LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 September 2023

	Note	2023 £	2022 £
Net cash flows from operating activities	18	7,888,960	4,158,792
Interest received		1,186,742	618,586
Interest paid		(387,248)	(125,006)
Taxation		(4,931,224)	(5,201,528)
Net cash flows from operating activities		<u>3,757,230</u>	<u>(549,156)</u>
Cash flows used in investing activities			
Proceeds from sale of tangible fixed assets		846,005	65,364
Purchase of tangible fixed assets		(8,694,553)	(11,537,432)
Net cash flows used in investing activities		<u>(7,848,548)</u>	<u>(11,472,068)</u>
Cash flows used in financing activities			
Repayment of obligations under finance leases		(870,886)	(588,016)
Repayment of bank loans		(420,685)	(169,006)
Dividends Paid		(9,000,000)	-
Net cash flows used in financing activities		<u>(10,291,571)</u>	<u>(757,022)</u>
Net decrease in cash and cash equivalents		<u>(14,382,889)</u>	<u>(12,778,246)</u>
Cash and cash equivalents at the beginning of the year		16,398,323	28,864,439
Effects of currency translation		(129,138)	312,130
Cash and cash equivalents at the end of the year		<u>1,886,296</u>	<u>16,398,323</u>
Reconciliation to cash at bank and in hand			
Cash at bank and in hand		12,031,523	18,944,342
Bank overdraft		(10,145,227)	(2,546,019)
Cash and cash equivalents		<u>1,886,296</u>	<u>16,398,323</u>

The accompanying notes are an integral part of this consolidated cash flow statement.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2023

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Glenair UK Limited (the company) is a company incorporated in the United Kingdom under the Companies Act 2006.

The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out in the strategic report and directors' report on pages 2 to 7.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency differs throughout the group. The primary functional currencies are pounds sterling, the euro and the Swedish krona. The consolidated financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company and the group operates. Foreign operations are included in accordance with the policies set out below.

Glenair UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Directors have carefully reviewed the going concern assumptions and are confident that it is well placed to trade successfully through the economic uncertainty within the United Kingdom and Europe.

The strong net cash position of the group is expected to provide the group with reasonable headroom throughout the forecast period and for a period of at least twelve months from the date of approval of the financial statements.

In addition to the above, the group has a very well-balanced portfolio between different industries, and while no issues have been experienced with regards to the groups' supply chain, the group has significant raw materials in case of any future disruption. As a consequence, the Directors believe the group is well placed to manage its business risks successfully.

The Directors, having reviewed projected cash flows, have a reasonable expectation that the company and group have 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 annual financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Goodwill

Goodwill arising on the acquisition, or the increase in stake, of subsidiary undertakings and businesses, representing any excess of the fair value of the total consideration given, both actual and deferred, over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is no more than twenty years. Provision is made for any impairment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2023

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight-line basis over its expected useful life, as follows:

Long leasehold land and buildings	2.5% per annum
Plant and machinery	10% - 33% per annum
Motor vehicles	25% per annum

Residual value is calculated on prices prevailing at the date of acquisition. Profits or losses on the disposal of fixed assets are included in the calculation of operating profit.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash generating units ("CGUs") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. 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.

i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ii) Investments

Investments in subsidiaries are measured at cost less impairment.

iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of the cash or other resources received or receivable, net of direct issue costs.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour, and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2023

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Turnover

Group turnover represents amounts receivable from the provision of goods and services in the normal course of business, exclusive of intra group transactions, trade discounts, Value Added Tax and other sales related taxes. Turnover is recognised at the point that the risks and rewards of ownership of the goods have transferred to a third party which is typically on delivery.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Interest expense is calculated based on the fixed or variable rates per the terms of the loan agreement with the banks.

Interest Income/Interest Payable

Interest income and Interest payable is calculated based on the fixed or variable rates per the terms of the loan agreement with the counterparty.

Leased assets

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except their assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pension costs and other post-retirement benefits

The group operates two defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Obligations to employees are severance indemnities, accrued up to 31 December 2006, due to employees at the end of their working period.

Foreign currency

Foreign currency transactions are translated at the average rate for the month in which they occur.

Assets and liabilities expressed in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or forward contract rates, where appropriate. Exchange differences which arise from normal trading activities are included in the calculation of operating profit.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

UNCERTAINTY

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2023

readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the group's accounting policies

The directors have made no critical judgements in the process of applying the group's accounting policies.

Key Sources of Estimation Uncertainty

The following are the sources of estimation uncertainty, that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Stock obsolescence provision

Stock that is held within the company is subject to an obsolescence provision which is dependant upon the age of the stock (raw materials are not included in the provision). See footnote 11.

3. SEGMENTAL INFORMATION

Group turnover and profit before taxation are generated from the principal activity of the group.

The geographical analysis of turnover by destination is as follows:

	2023	2022
	£	£
United Kingdom	51,851,464	41,412,423
Rest of Europe	107,277,973	69,223,251
Rest of World	78,032,652	59,550,535
	<u>237,162,089</u>	<u>170,186,209</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Director's remuneration

	2023	2022
	£	£
Emoluments	-	485,360
Company contributions to money purchase pension schemes	-	3,667
	<u>-</u>	<u>489,027</u>

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

Pensions

The number of directors who were members of pension schemes was as follows:

	2023 Number	2022 Number
Money purchase scheme	0	1

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2023 £	2022 £
Emoluments	-	485,360
Company contributions to money purchase pension schemes	-	3,667
	-	489,027

Directors of the group are remunerated by other group companies.

The average monthly number of employees (including executive directors) was:

	Group 2023	Group 2022	Company 2023	Company 2022
Production	1019	807	804	605
Distribution	21	21	13	13
Sales	146	138	42	38
Administration	95	89	40	40
	1281	1055	899	696

Staff costs during the year (including directors)

	Group 2023	Group 2022	Company 2023	Company 2022
Wages and salaries	48,014,148	36,344,099	29,081,590	20,993,411
Social security costs	7,197,984	5,800,192	2,619,378	1,884,869
Other pension costs	3,652,026	2,940,665	2,321,757	1,864,736
	58,864,158	45,084,956	34,022,725	24,743,016

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Interest payable on bank loans and overdrafts	387,248	125,006

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets:		
- owned	4,285,136	3,472,395
- held under finance leases and hire purchase contracts	928,435	572,442
Gain on disposal of tangible fixed assets	(35,741)	(15,715)
Research and development expenditure	1,069,045	692,404
Amortisation of goodwill	75,030	112,605
Operating lease rentals	1,504,460	1,516,651
Impairment of stock	2,118,552	636,856
Net foreign exchange gain	(648,435)	(1,609,250)

The impairment of stock figure is included in the cost of sales figure in the profit and loss.

	2023 £	2022 £
The analysis of auditor remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	95,000	87,500
Fees payable to associates of the company auditor for the audit of the company's subsidiaries	94,017	94,017
Total audit fees	189,017	181,517
Fees payable to the company's auditor and their associates for other services to the company	21,370	6,950
Total non-audit fees	21,370	6,950
Total	210,387	188,467

	2023 £	2022 £
The analysis of non-audit fees:		
- iXBRL filing	650	650
- Taxation services provided to the company	20,720	6,300
	21,370	6,950

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

7. TAX ON PROFIT

The tax charge is based on the profit for the year and comprises:

	2023 £	2022 £
Current tax		
UK corporation tax	2,139,490	1,525,228
UK withholding tax	473,811	-
Foreign tax	3,791,701	2,528,868
	<u>6,405,002</u>	<u>4,054,096</u>
Adjustments in respect of prior years		
- UK corporation tax	(285,228)	(37,601)
Total current tax	6,119,774	4,016,495
Deferred tax (note 15)		
Origination and reversal of timing differences	(985,689)	1,298,554
Total tax on profit	<u>5,134,085</u>	<u>5,315,049</u>

The differences between the total tax shown above and the amount calculated by applying the average standard rate of UK corporation tax to the profit before tax is as follows.

	2023 £	2022 £
Profit before tax	<u>26,936,865</u>	<u>24,441,002</u>
Tax on profit at average standard UK corporation tax rate of 22.0% (2022: 19.0%)	5,926,110	4,643,790
Effects of:		
Items not deductible for tax purposes	22,448	23,561
Items not deductible for tax purposes overseas	(171,783)	308,751
Capital Allowances in excess of depreciation	(479,153)	25,267
Other timing differences	(836,167)	(413,669)
Withholding tax	473,811	-
Adjustment in respect to previous periods	(285,228)	(37,601)
Higher tax rates on overseas earnings	484,047	764,950
Tax charge for year	<u>5,134,085</u>	<u>5,315,049</u>

The group's future tax charge will be affected by the change in the UK corporation tax rate.

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. This rate has been used to calculate the deferred tax balances.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

8. GOODWILL

	2023	2022
	£	£
Group Cost		
At 1 October	5,803,128	5,763,198
Exchange adjustment	(57,520)	39,930
At 30 September	<u>5,745,608</u>	<u>5,803,128</u>
Amortisation		
At 1 October	5,559,902	5,437,245
Charge for the year	75,030	112,605
Exchange adjustment	(42,759)	10,052
At 30 September	<u>5,592,173</u>	<u>5,559,902</u>
Net book value		
At 30 September	<u><u>153,435</u></u>	<u><u>243,226</u></u>

The company has no goodwill.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

9. TANGIBLE FIXED ASSETS

Group	Long leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 October 2022	33,060,473	132,735	48,777,507	81,970,715
Additions	4,408,338	26,599	8,004,833	12,439,770
Disposals	(1,190)	(29,956)	(2,314,818)	(2,345,964)
Exchange adjustment	(97,695)	(894)	(246,819)	(345,408)
At 30 September 2023	<u>37,369,926</u>	<u>128,484</u>	<u>54,220,703</u>	<u>91,719,113</u>
Depreciation				
At 1 October 2022	7,703,595	72,421	36,556,789	44,332,805
Charge for the year	1,303,072	25,035	3,885,464	5,213,571
Disposals	(1,190)	(29,956)	(1,504,554)	(1,535,700)
Exchange adjustments	(42,373)	(371)	(185,238)	(227,982)
At 30 September 2023	<u>8,963,104</u>	<u>67,129</u>	<u>38,752,461</u>	<u>47,782,694</u>
Net book value				
At 30 September 2023	<u>28,406,822</u>	<u>61,355</u>	<u>15,468,242</u>	<u>43,936,419</u>
At 30 September 2022	<u>25,356,878</u>	<u>60,314</u>	<u>12,220,718</u>	<u>37,637,910</u>
Company				
Cost				
At 1 October 2022	21,552,708	29,956	20,987,925	42,570,589
Additions	500,593	-	4,741,431	5,242,024
Disposals	-	(29,956)	(892,059)	(922,015)
At 30 September 2023	<u>22,053,301</u>	<u>-</u>	<u>24,837,297</u>	<u>46,890,598</u>
Depreciation				
At 1 October 2022	2,558,143	29,956	15,465,240	18,053,339
Charge for the year	487,664	-	2,094,442	2,582,106
Disposals	-	(29,956)	(891,827)	(921,783)
At 30 September 2023	<u>3,045,807</u>	<u>-</u>	<u>16,667,855</u>	<u>19,713,662</u>
Net book value				
At 30 September 2023	<u>19,007,494</u>	<u>-</u>	<u>8,169,442</u>	<u>27,176,936</u>
At 30 September 2022	<u>18,994,565</u>	<u>-</u>	<u>5,522,685</u>	<u>24,517,250</u>

Included within the group's fixed assets are assets capitalised under finance leases with a net book value of £9,068,975 (2022: £4,458,668). None of the company's fixed assets are capitalised under finance leases.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

10. FIXED ASSET INVESTMENTS

Company	Subsidiary undertakings £
Cost	
At 1 October 2022	21,131,330
At 30 September 2023	21,131,330
Provisions for impairment	
At 1 October 2022 and at 30 September 2023	(6,392,168)
Net book value	
At 30 September 2022	14,739,162
At 30 September 2023	14,739,162

The principal wholly owned subsidiary undertakings and their principal activities, are as follows:

	Principal activity	Country of incorporation	Registered office	Class of shareholding
Glenair GmbH	Sales & marketing	Germany	Schaberweg 28 61348 Bad Homburg	100% Ordinary
Glenair Nordic AB	Sales & marketing	Sweden	Gustav III:s, Boulevard 46 SE-169 27 Solna	100% Ordinary
Glenair France SARL	Sales & marketing	France	Central Parc II 7 Avenue Parmentier 31200 Toulouse	100% Ordinary
Glenair Italia SRL	Sales, marketing and connector manufacture	Italy	Via del Lavoro 7, 40057 Granarolo dell'Emilia Bologna	100% Ordinary
Glenair OY	Sales & marketing	Finland	Puistokatu 5 57100 Savonlinna Finland	100% Indirect Subsidiary
Glenair AS	Sales & marketing	Norway	Gamlevejen 1A 3174 Revetal Norway	100% Indirect Subsidiary
Glenair Iberica	Sales & marketing	Spain	Paseo de las Delicias 30-4 28045 Madrid	100% Ordinary
Miles Roystone Limited	Dormant	England	As shown on page 1	100% Ordinary
Glenair (1972) Limited	Dormant	England	As shown on page 1	100% Ordinary

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

10. FIXED ASSET INVESTMENTS (CONTINUED)

Glenair OY and Glenair AS are indirectly owned via the company's shareholding in Glenair Nordic AB. Otherwise, the company directly holds 100% of the share capital of the subsidiary undertaking.

During the year and prior year the company did not make any additional contributions.

11. STOCKS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Raw materials, consumables and goods for resale	47,558,411	33,957,865	27,850,406	17,351,045
Work-in-progress	2,991,550	2,573,193	2,688,410	2,149,970
	<u>50,549,961</u>	<u>36,531,058</u>	<u>30,538,816</u>	<u>19,501,015</u>

In the opinion of the directors there is no material difference between the balance sheet value of stocks and their replacement cost.

12. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	43,900,660	31,791,424	11,392,501	9,279,608
Due from parent company - trade	1,035,879	2,740,515	1,035,879	2,740,516
Due from parent company - loans	30,843,470	28,258,215	27,144,435	24,144,435
Due from subsidiary companies	-	-	3,148,592	2,570,982
UK Corporation and overseas tax	782,767	1,008,392	194,561	-
Other debtors and prepayments	4,061,005	2,211,888	450,867	386,898
Deferred tax asset (note 15)	811,157	-	-	-
	<u>81,434,938</u>	<u>66,010,434</u>	<u>43,366,835</u>	<u>39,122,439</u>

Company - Amounts due from subsidiary companies are for goods supplied on credit.

The amounts due from parent company are a mixture of goods supplied on credit and interest payable loans. The loan balances of £30,843,470 (2022: £28,258,215) due from the parent company to the Group and of £27,144,435 (2022: £24,144,435) due from the parent company to the Company included in current debtors are repayable on demand; however, we do not anticipate needing to recall any funds in the next 12 months.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	1,398,164	969,129	-	-
Overdrafts	10,145,227	2,546,019	2,154,545	-
Trade creditors	9,272,210	8,261,220	6,301,299	5,363,265
Due to other group undertakings	-	305,081	-	305,081
Due to parent company	9,264,399	6,381,778	-	-
Obligations under finance leases and hire purchase contracts	752,342	568,199	-	-
UK Corporation and overseas tax	2,535,043	1,535,136	442,601	388,339
Other taxation and social security	4,596,799	3,232,577	759,512	627,531
Accruals and deferred income	11,783,995	10,711,423	2,175,639	1,699,573
	<u>49,748,179</u>	<u>34,510,562</u>	<u>11,833,596</u>	<u>8,383,789</u>

Bank loans bear interest ranging from 1.31% to 5.7% as of September 30, 2023.

Due to other group undertakings represent a company based in the United States of America, which is a wholly owned subsidiary of the parent company.

Overdrafts are secured by a floating charge (interest ranges from 4.877% to 7.0%) on the assets of the group.

The finance lease obligations are secured on the related hire purchase assets held by the group. These arrangements have an interest rate of 1.31% to 4.53%.

The amounts due to parent company and to other group undertakings are for goods supplied on credit account basis. These are unsecured, interest free and repayable on demand.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Due to subsidiary undertakings	-	-	3,588,936	3,588,936
Bank loans	2,787,639	3,677,767	-	-
Obligations under finance leases and hire purchase contracts	4,347,845	1,677,182	-	-
Deferred tax liability (note 15)	923,533	1,138,872	479,153	834,373
Obligations to employees	544,198	573,590	-	-
	<u>8,603,215</u>	<u>7,067,411</u>	<u>4,068,089</u>	<u>4,423,309</u>

Bank loans are due in monthly instalments over the 12 months to 60 months. The loans bear interest at 2.0% and 5.7% as of September 30, 2023 and are secured by the equipment for which the funds were used to purchase.

The finance lease obligations are secured on the related hire purchase assets held by the group. These arrangements have an interest rate of 1.31% to 5.7% and are due in 12 months to 72 months.

Obligations to employees are severance indemnities, accrued up to 31 December 2006, due to employees at the end of their working period.

Amounts due to subsidiary undertakings are unsecured, non-interest bearing loans from dormant UK subsidiaries.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2023

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Borrowings are repayable as follows:

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Bank loans				
Between one and two years	1,147,014	1,200,868	-	-
Between two and five years	1,640,625	2,476,899	-	-
	<u>2,787,639</u>	<u>3,677,767</u>	<u>-</u>	<u>-</u>
Within one year	1,398,164	969,129	-	-
	<u>4,185,803</u>	<u>4,646,896</u>	<u>-</u>	<u>-</u>
Finance leases				
Between one and two years	648,406	480,068	-	-
Between two and five years	3,699,439	1,197,114	-	-
	<u>4,347,845</u>	<u>1,677,182</u>	<u>-</u>	<u>-</u>
Within one year	752,342	568,199	-	-
	<u>5,100,187</u>	<u>2,245,381</u>	<u>-</u>	<u>-</u>

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

15. DEFERRED TAXATION

The group deferred tax Asset / (Liability) is set out below:

	£
Group	
Liability at 1 October 2022 (note 14)	(1,138,872)
Charged to profit and loss account	985,689
Exchange adjustment	40,807
	<u> </u>
Liability at 30 September 2023	<u>(112,376)</u>

This figure is a Deferred Tax Liability of 923,533 as per note 14 and a Deferred Tax Asset of 811,157 as per note 12

The company deferred tax liability is as follows:

Company	
Liability at 1 October 2022 (note 14)	(834,373)
Charged to profit and loss account	355,220
	<u> </u>
Liability at 30 September 2023 (note 14)	<u>(479,153)</u>

Deferred taxation is provided as follows:

	2023	2022
	£	£
Group		
Capital allowances in excess of depreciation	(479,153)	(834,373)
Accumulated untaxed profits of overseas subsidiary undertakings	366,777	(304,499)
	<u>(112,376)</u>	<u>(1,138,872)</u>
Company		
Capital allowances in excess of depreciation	<u>(479,153)</u>	<u>(834,373)</u>

There is no unprovided deferred tax in the current or prior year.

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

16. FINANCIAL INSTRUMENTS

The carrying values of the group and company's financial assets and liabilities are summarised by category below:

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Financial assets				
<i>Measured at undiscounted amount receivable</i>				
Trade and other debtors (see note 12)	79,841,014	65,002,042	43,172,274	39,122,439
Cash and cash equivalents	12,031,523	18,944,342	-	1,547,441
	<u>91,872,537</u>	<u>83,946,384</u>	<u>43,172,274</u>	<u>40,669,880</u>
Financial liabilities				
<i>Measured at amortised cost</i>				
Obligations under finance leases (see note 13, 14)	(5,100,187)	(2,245,381)	-	-
Bank loans (see note 13, 14)	(4,185,803)	(4,646,896)	-	-
<i>Measured at undiscounted amount payable</i>				
Trade and other creditors	(35,461,601)	(29,465,669)	(12,825,386)	(11,584,386)
Bank overdraft (see note 13)	(10,145,227)	(2,546,019)	(2,154,545)	-
	<u>(54,892,818)</u>	<u>(38,903,965)</u>	<u>(14,979,931)</u>	<u>(11,584,386)</u>

17. CALLED-UP SHARE CAPITAL

	2023 £	2022 £
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted called-up and fully paid		
650,000 Ordinary shares of £1 each	<u>650,000</u>	<u>650,000</u>

The group and company's other reserves are as follows:

The currency translation reserve represents movements in the Consolidated Balance Sheet as a result of movement in exchange rates which are taken directly to reserves on consolidation of overseas subsidiaries.

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

A dividend of £9,000,000 was proposed and paid on 11th August 2023, this amounted to 13.85 pence per share. (2022: No dividend was paid).

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

18. RECONCILIATION OF OPERATING PROFIT TO CASH GENERATED BY OPERATIONS

	2023 £	2022 £
Operating profit	26,137,371	23,947,422
Adjustment for:		
Profit on sale of tangible fixed assets	(35,741)	(15,715)
Depreciation charges	5,213,571	4,044,837
Amortisation of goodwill	75,030	112,605
Unrealised currency translation gain	(434,918)	(266,061)
	<u>30,955,313</u>	<u>27,823,088</u>
Operating cash flow before movement in working capital		
Increase in stocks	(14,166,990)	(8,095,841)
Increase in debtors	(15,086,371)	(22,212,412)
Increase in creditors	6,187,008	6,643,957
	<u>7,888,960</u>	<u>4,158,792</u>
Cash generated by operations	<u><u>7,888,960</u></u>	<u><u>4,158,792</u></u>

19. ANALYSIS OF CHANGES IN NET DEBT

Group	1 October 2022 £	Cashflows £	Other changes £	30 September 2023 £
Cash at bank and in hand	18,944,342	(6,761,542)	(151,277)	12,031,523
Overdrafts	(2,546,019)	(7,621,347)	22,139	(10,145,227)
Bank loans	(4,646,896)	420,685	40,408	(4,185,803)
Obligations under finance leases	(2,245,381)	870,886	(3,725,692)	(5,100,187)
	<u>9,506,046</u>	<u>(13,091,318)</u>	<u>(3,814,422)</u>	<u>(7,399,694)</u>

GLENAIR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2023

20. GUARANTEES AND FINANCIAL COMMITMENTS

Group total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Within one year	693,615	640,200	561,670	450,656
Between one and five years	1,954,129	2,057,096	1,250,972	797,407
After five years	484,187	529,195	93,172	39,024
	<u>3,131,931</u>	<u>3,226,491</u>	<u>1,905,814</u>	<u>1,287,087</u>

Capital expenditure authorised by the directors is as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Contracted	<u>970,668</u>	<u>684,502</u>	<u>970,668</u>	<u>684,502</u>

21. PENSIONS

The group operates two defined contribution pension schemes. One scheme is for the benefit of the directors and employees and is administered independently to the assets of the group. The second scheme is a voluntary contributory pension scheme for eligible employees administered independently to the assets of the group. The pension cost during the year was £3,652,026 (2022: £2,940,665). At 30 September 2023 the group had total pension cost accruals of £291,550 (2022: £211,471).

22. RELATED PARTY TRANSACTIONS

The year end balances with the parent company are disclosed in note 12 & 13 to the financial statements.

The total remuneration for the directors for the year is disclosed in note 4.

The company has taken advantage of the exemption within FRS 102, which does not require disclosure of transactions between the company and other wholly owned subsidiary undertakings.

23. ULTIMATE HOLDING COMPANY

The immediate parent company and ultimate holding company is Glenair Inc., a company registered and incorporated in California, USA.

Glenair Inc. is ultimately controlled by the trustees of the Jameson Voting Trust, a family trust of Mr. James D. Jameson, a director of the Company, and other family members.

The smallest group for which consolidated financial statements are prepared is that headed by Glenair UK Limited. The largest group for which consolidated financial statements are prepared is that headed by Glenair Inc. These financial statements are not publicly available.

24. POST BALANCE SHEET EVENTS

There are no material post balance sheet events that took place through the date these financial statements were issued.