

Registered number: 07543335

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R W Colburn A Roberts S Hussey
Company secretary	M Hale
Registered number	07543335
Registered office	Parkway House Unit 6, Parkway Industrial Estate Pacific Avenue Wednesbury West Midlands WS10 7WP
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £13,283,172 (2021: £7,931,146).

The Directors have not recommended a dividend (2021: £Nil).

Directors

The Directors who served during the year were:

R W Colburn
A Roberts
S Hussey

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial risk management objectives and policies

The Group uses a variety of financial instruments including cash, borrowings, equity investments and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Directors are of the view that the main risks arising from the Group's financial instruments are liquidity risk, market risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through support from the parent company.

Market risk

The Group is exposed to transactional foreign exchange risk. Transactional exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Fluctuations in metal prices are reviewed on a regular basis and taken into consideration when placing purchase orders and setting the selling price of the Group's stock range.

Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the Directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Qualifying third party indemnity provisions

The Group has maintained Directors' and officers' liability insurance in respect of its Directors.

Energy and carbon emissions

Greenhouse gas emissions and energy usage data for period 1 January to 31 December 2022	
	UK
Energy consumption used – kWh	7,655,169
Associated Greenhouse gas emissions, Tonnes CO ₂ equivalent	3,430
Intensity ratio: tonnes of CO ₂ equivalent gross figure - per £m revenue	13.08

UK energy use covers:

- Gas and electricity purchased for direct consumption
- Combustion of fuel for transport purposes
- Business travel in rental or employee owned vehicles

The energy use and intensity ratio above covers activities of Smiths Metal Centres Limited, which is the only entity within the group required to report under SECR. The revenue used in the calculation of the intensity ratio is continually impacted by changes in the market prices of the metals which the companies sell.

Associated Greenhouse gases have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard (revised) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting.

Energy efficiency actions

- Management meet and discuss business efficiencies on a regular basis, which include energy related matters where appropriate.
- The Group keeps abreast of legislative requirements in relation to energy use and reporting, monitoring the results accordingly.
- Maintaining and servicing our plant and machinery and other assets in order to maximise their operating efficiency.
- Investing in more efficient assets

Matters covered in the Group Strategic Report

The business review, principal risks and uncertainties, financial key performance indicators and employee consultation are not included in the Directors Report as they are included in the Strategic Report as required under S414c of the Companies Act.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

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

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

Post balance sheet events

A dividend of £10,000,000 was declared and paid on 6 July 2023.

Auditor

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

This report was approved by the board and signed on its behalf.



A Roberts
Director
Date: 18th September 2023

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The Directors present their strategic report for the year ended 31 December 2022.

Business review and future developments

The profit for the year, after taxation, amounted to £13,283,172 (2021: £7,931,146). The Directors have not recommended a dividend (2021: £Nil).

Various key performance indicators are used by the Directors to monitor and compare the performance of the Group. They regard the following as the key financial indicators of performance, all of which can be observed in the attached financial statements. The Group uses other performance indicators in the day to day operations but the Directors consider these commercially sensitive and have therefore not disclosed these indicators.

Turnover increased to £139.6 million (2021: £112.0 million)
Profit before tax increased to £16.6 million (2021: £10.0 million)
Net assets increased to £58.1 million (2021: £44.8 million)
Average number of employees have increased from 342 to 362

The Directors of the Group are not satisfied with the results for the year. Whilst turnover and gross profit have increased compared to 2021, operating expenses have been subject to inflationary pressures. To provide a platform for sustainable growth and to negate the impact of the specific risks and uncertainties highlighted below, the Group will continue to implement operational efficiency improvements, thereby enhancing productivity and reducing operating expenses.

Principal risks and uncertainties

The principal risks and uncertainties of the Group are fluctuations in raw material prices, movements in exchange rates, continuing political instability, changes in government legislation, costs of complying with excessive and burdensome government regulation and the credit risk arising from trade debtors.

Whilst the Group takes action to mitigate the principal risks, where possible, there are specific risks and uncertainties outside of its control that could impact on the future financial performance of the Group. Specific examples of such risks relate to government imposed levies, which could result in a significant increase in the operating costs of the Group and a subsequent reduction in profitability and capital available for future reinvestment with no net benefit to the Group or the nation.

The Company seeks to manage foreign exchange risks through the judicious use of forward currency contracts and has a rigorous and effective system of controls in place to manage and mitigate the risks associated with trade debtors, as detailed in the Directors' report on page 2.

The ultimate parent company is privately held, as is the Company, and the Directors are of the opinion that the requirement to publish private accounts is a violation of both the spirit and law under United Kingdom right to privacy legislation.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern

During the year ending 31 December 2022, the Group reported positive results. Therefore, the Directors remain confident in the consolidated financial position, results of operations and cash flows of the Group.

The Directors of the parent undertaking, Cobham Aluminium & Stainless Holdings Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all companies in the Group; the Directors of this Group accordingly continue to prepare the financial statements on the going concern basis.

Directors' statement Section of compliance with duty to promote the success of the Group (Section 172(1) statement).

The Directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Group for the benefit of its members in the long term. In performing their duties, the Directors make a good faith assessment of the potential consequence on various stakeholders.

Employees and the environment

The Directors are committed to promoting a safe working environment for its staff, protecting the wellbeing of all employees. The Directors keep staff informed of key commercial, operational and personnel matters through structured internal communication channels. Training and development opportunities are provided where they are considered of benefit to the Group and its employees.

The Group has measures in place to monitor its impact on the local community and the environment and the Directors maintain a policy of compliance towards all relevant regulatory environmental standards.

Employee consultation and disabled employees

Recruitment policies are designed to ensure equal opportunity of employment. Appropriate consideration is given to disabled applicants in offering employment.

Good communications and relations with employees are maintained, mainly by practices developed in each operating unit compatible with its own particular circumstances. Senior management are kept informed of Company developments of certain financial, commercial, strategic and personnel matters as needed, and are thereby enabled to inform and discuss with employees as appropriate at the individual operating units.

Customers

The Directors commit considerable resources to servicing the needs of our customers to the highest possible standard with a view to building long term relationships.

Suppliers

A core value of the Group is a strict adherence to paying all suppliers within agreed terms.

This report was approved by the board and signed on its behalf.



A Roberts
Director
Date: 18th September 2023

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Cobham Aluminium & Stainless Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- *have been prepared in accordance with the requirements of the Companies Act 2006.*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 or the 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.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)

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.

Qualified Opinion on other matters prescribed by the Companies Act 2006

Except for the matters set out in the basis for qualified opinion below, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Basis for Qualified Opinion on other matters prescribed by the Companies Act 2006

The financial statements do not include a comparative for the Statement of carbon emissions in compliance with the Streamlined Energy and Carbon Reporting disclosures required by company law as the Group did not have adequate records to capture this information.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 Group financial statements.

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 obtained an understanding of the legal and regulatory frameworks within which the Company and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company and Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company and Group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, Bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and manipulating the Company and Group's key performance indicators to meet management targets.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 26/9/23

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	139,564,172	111,979,617
Change in stocks of finished goods and work in progress		(4,078,685)	(3,012,876)
Other operating income		-	10,009
Raw materials and consumables		(84,095,296)	(68,258,627)
Other external charges		(10,890,544)	(10,421,041)
Staff costs	7	(21,964,118)	(18,451,871)
Depreciation and amortisation		(1,843,338)	(1,776,625)
Operating profit	5	16,692,191	10,068,586
Interest income		2,224	194
Interest expense and similar charges		(136,449)	(37,900)
Profit before tax		16,557,966	10,030,880
Tax on profit	9	(3,274,794)	(2,099,734)
Profit after tax		13,283,172	7,931,146
Retained earnings at the beginning of the year		39,339,124	31,407,978
Profit for the year attributable to the owners of the parent		13,283,172	7,931,146
Retained earnings at the end of the year		52,622,296	39,339,124

The notes on pages 17 to 33 form part of these financial statements.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED
REGISTERED NUMBER: 07543335

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	10	2,762,174	1,764,878
Tangible assets	11	6,731,535	5,473,628
		<u>8,493,709</u>	<u>7,238,506</u>
Current assets			
Stocks	13	42,819,927	24,821,130
Debtors: amounts falling due within one year	14	26,437,004	23,580,139
Cash at bank and in hand		20,664,673	25,088,347
		<u>89,921,604</u>	<u>73,489,616</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(37,533,058)	(33,190,433)
Net current assets		<u>52,388,546</u>	<u>40,299,183</u>
Total assets less current liabilities		<u>60,882,255</u>	<u>47,537,689</u>
Creditors: amounts falling due after more than one year	16	(957,494)	(1,255,961)
Provisions for liabilities			
Deferred taxation	18	(594,198)	(383,766)
Other provisions	19	(1,208,267)	(1,058,838)
		<u>(1,802,465)</u>	<u>(1,442,604)</u>
Net assets		<u>58,122,296</u>	<u>44,839,124</u>
Capital and reserves			
Called up share capital	20	5,500,000	5,500,000
Profit and loss account		52,622,296	39,339,124
		<u>58,122,296</u>	<u>44,839,124</u>

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



A Roberts
Director

Date: 18th September 2023

The notes on pages 17 to 33 form part of these financial statements.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED
REGISTERED NUMBER: 07543335

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	20,613,541	14,765,366
Current assets			
Cash at bank and in hand		1,226,870	333,694
Current liabilities			
Creditors: amounts falling due within one year	15	(4,838,024)	(3,964,910)
Net current liabilities		(3,611,154)	(3,631,216)
Net assets		17,002,387	11,134,150
Capital and reserves			
Called up share capital	20	5,500,000	5,500,000
Profit and loss account brought forward		5,634,150	5,634,110
Profit for the year		5,868,237	40
Profit and loss account carried forward		11,502,387	5,634,150
		17,002,387	11,134,150

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



A Roberts
 Director
 Date: 18th September 2023

The notes on pages 17 to 33 form part of these financial statements.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	13,283,172	7,931,146
Adjustments for:		
Amortisation of intangible assets	583,680	576,635
Depreciation of tangible assets	1,259,659	1,294,990
Loss on disposal of tangible assets	22,098	(34,853)
Interest paid	136,449	37,900
Interest received	(2,224)	(194)
Taxation charge	3,274,794	2,099,734
Increase in stocks	(16,465,282)	(2,294,668)
Increase in debtors	(930,420)	(7,369,327)
(Decrease)/increase in creditors	(751,283)	8,299,975
Increase in provisions	149,429	264,582
Corporation tax (paid)	(846,305)	(2,434,342)
Net cash generated from operating activities	(286,233)	8,371,578
Cash flows from investing activities		
Purchase of tangible fixed assets	(579,903)	(1,141,868)
Sale of tangible fixed assets	110,424	62,348
Interest received	2,224	194
HP interest paid	(136,449)	(37,900)
Acquisition of subsidiary	(4,168,750)	(17,550)
Cash in acquisition of subsidiaries	1,776,450	-
Net cash from investing activities	(2,996,004)	(1,134,776)

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from financing activities		
Repayment of finance leases	(1,141,437)	(59,987)
Net cash used in financing activities	<u>(1,141,437)</u>	<u>(59,987)</u>
Net (decrease)/increase in cash and cash equivalents	(4,423,674)	7,176,815
Cash and cash equivalents at beginning of year	<u>25,088,347</u>	<u>17,911,532</u>
Cash and cash equivalents at the end of year	<u>20,664,673</u>	<u>25,088,347</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>20,664,673</u>	<u>25,088,347</u>
	<u>20,664,673</u>	<u>25,088,347</u>

The notes on pages 17 to 33 form part of these financial statements.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	Acquisition and disposal of subsidiaries £	New finance leases £	At 31 December 2022 £
Cash at bank and in hand	25,088,347	(6,200,124)	1,776,450	-	20,664,673
Finance leases	(2,391,297)	1,141,437	-	(879,946)	(2,129,806)
	<u>22,697,050</u>	<u>(5,058,687)</u>	<u>1,776,450</u>	<u>(879,946)</u>	<u>18,534,867</u>

The notes on pages 17 to 33 form part of these financial statements.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The Company is a private company limited by shares and is incorporated and registered in England and Wales, registration number 07543335.

The registered office is Parkway House Unit 6, Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, England, WS10 7WP.

The principal activity of the Group during the year was metal stockholding and the principal activity of this Company was to act as a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

During the year ending 31 December 2022, the Group reported positive results. Therefore, the Directors remain confident in the consolidated financial position, results of operations and cash flows of the Group.

The Directors have considered the net current liability position of the Company, which occurs as a result of the amounts owed to group undertakings, specifically wholly owned subsidiaries, and are satisfied that these amounts should not be repaid in the 12 months from the date of signing.

The Directors of the parent undertaking, Cobham Aluminium & Stainless Holdings Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all companies in the Group; the Directors of this Company accordingly continue to prepare the financial statements on the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.5 Turnover

Turnover shown in the income statement represents the total invoice value of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover is recognised when the risks and rewards of ownership have been transferred after all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery had occurred or services have been rendered;
- the seller's price to the buyer is fixed and determinable; and
- collectability is reasonable assured.

Turnover is recognised prior to delivery of goods, where there is an underlying contract with the customer meeting the definition of a "bill and hold" arrangement. In these situations, turnover is recognised once the principle benefits and risks have passed to the customer, in particular that the goods are available and ready for delivery, and that payment has been received from the customer and therefore legal title of the stock has passed.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of income and retained earnings over its useful economic life of 5 years.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 2%
Long-term leasehold property	- over the term of the lease
Plant and machinery	- 9% to 33%
Motor vehicles	- 9% to 33%
Fixtures and fittings	- 9% to 33%
Computer equipment	- 9% to 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at either the lower of cost or net realisable value after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a weighted average basis.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Financial instruments

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the notice of not more than 24 hours.

Creditors

Short term creditors are measured at transaction price.

2.15 Property dilapidations

Under certain operating leases for land and buildings, the Group is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The Group charges amounts to profit or loss so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations. Where repairs are made part way through the lease that will reduce the estimated costs of the dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

3.1 Critical judgements in applying the group's accounting policies

Stock

Management applies judgement in evaluating stock for obsolescence. This judgement is based principally on stock age (with a 50% - 90% provision applied) and also management's market knowledge of the stocks customers currently demand. At each balance sheet date, stocks are assessed for impairment on this consistent basis and written down where appropriate. Management review the basis of this provision on a regular basis to ensure it is appropriate.

3.2 Key accounting estimates and assumptions

Dilapidation provisions

Provisions are made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. Dilapidation provisions have been estimated using historical costs and lease exit rates.

Valuation of fixed asset investments

The Company considers whether investments held in subsidiaries are impaired. Where indicators of impairment are identified the carrying value of the investment is compared to the recoverable amount being the higher of fair value or value in use, and provisions reflected where required. See note 12 for full details.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company. A geographical analysis of turnover is as follows:

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	120,352,156	96,139,893
Rest of Europe	15,589,208	11,246,428
Rest of the World	3,622,808	4,593,296
	<u>139,564,172</u>	<u>111,979,617</u>

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Owned tangible fixed assets - depreciation	489,324	488,002
Financed tangible fixed assets - depreciation	770,335	711,988
Goodwill amortisation	583,680	576,635
Fixed assets impairments	-	95,000
Exchange differences	63,838	60,235
Operating lease rentals - plant and machinery	21,855	28,756
Operating lease rentals - land and buildings	1,560,992	1,788,053

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2022	2021
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	59,875	46,500
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	7,525	5,325
All other services	5,600	3,900

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	19,581,535	<i>16,244,814</i>	-	-
Social security costs	1,961,999	<i>1,817,355</i>	-	-
Cost of defined contribution scheme	380,967	<i>389,702</i>	-	-
	<u>21,924,501</u>	<i><u>18,451,871</u></i>	<u>-</u>	<u>-</u>

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

	2022 No.	<i>2021 No.</i>
Sales and distribution staff	<u>362</u>	<i><u>342</u></i>

8. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	23,021	<i>26,371</i>
Group contributions to defined contribution pension schemes	268	<i>215</i>
	<u>23,289</u>	<i><u>26,586</u></i>

During the year retirement benefits were accruing to 1 Director (2021: 1) in respect of a defined contribution pension scheme.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	3,104,368	1,692,532
Adjustments in respect of previous periods	(8,037)	(408)
Total current tax	3,096,331	1,692,124
Deferred tax		
Origination and reversal of timing differences	130,280	346,146
Changes to tax rates	41,140	61,464
Adjustments in respect of prior periods	7,043	-
Total deferred tax	178,463	407,610
Taxation on profit	3,274,794	2,099,734

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	16,557,966	10,030,880
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	3,146,013	1,905,867
Effects of:		
Expenses not deductible for tax purposes	36,209	125,537
Fixed asset timing differences	53,013	(23,366)
Adjustments to tax charge in respect of prior periods	(994)	(408)
Other timing differences leading to an increase in taxation	40,553	92,104
Total tax charge for the year	3,274,794	2,099,734

Factors that may affect future tax charges

Deferred tax has been calculated at 25% this year in line with future rates enacted at the year end date. The UK Government announced an increase in Corporation tax rates to 25% from 1 April 2023 which will increase corporation and deferred taxes in future years.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 January 2022	2,786,650
Additions	1,580,976
At 31 December 2022	<u>4,367,626</u>
Amortisation	
At 1 January 2022	1,021,772
Charge for the year	583,680
At 31 December 2022	<u>1,605,452</u>
Net book value	
At 31 December 2022	<u>2,762,174</u>
At 31 December 2021	<u>1,764,878</u>

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 January 2022	1,177,476	7,307,042	2,500,939	1,843,298	599,899	13,428,654
Additions	59,557	651,410	555,528	85,998	107,091	1,459,584
Acquisition of subsidiary	38,572	464,350	370,306	131,538	168,403	1,173,169
Disposals	(1,370)	(362,309)	(166,540)	(113,748)	(8,269)	(652,236)
At 31 December 2022	<u>1,274,235</u>	<u>8,060,493</u>	<u>3,260,233</u>	<u>1,947,086</u>	<u>867,124</u>	<u>15,409,171</u>
Depreciation						
At 1 January 2022	411,019	3,875,858	1,663,376	1,583,891	420,882	7,955,026
Charge for the year	75,818	645,256	314,095	124,192	100,298	1,259,659
Disposals	(514)	(175,802)	(165,577)	(169,552)	(8,269)	(519,714)
Acquisition of subsidiary	8,681	450,375	235,271	125,191	163,147	982,665
At 31 December 2022	<u>495,004</u>	<u>4,795,687</u>	<u>2,047,165</u>	<u>1,663,722</u>	<u>676,058</u>	<u>9,677,636</u>
Net book value						
At 31 December 2022	<u>779,231</u>	<u>3,264,806</u>	<u>1,213,068</u>	<u>283,364</u>	<u>191,066</u>	<u>5,731,535</u>
At 31 December 2021	<u>766,457</u>	<u>3,431,184</u>	<u>837,563</u>	<u>259,407</u>	<u>179,017</u>	<u>5,473,628</u>

Land and buildings

Land and buildings include freehold property with a net book value of £320,417 (2021 £328,292) and long-term leasehold property with a net book value of £428,923 (2021: £438,161).

Finance leases

Included within the net book value of £5,731,535 is £3,749,515 (2021: £3,527,180) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £770,335 (2021: £711,988).

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	14,765,366
Additions	5,848,175
At 31 December 2022	20,613,541

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Smiths Metal Centres Limited	2nd Floor of Council Office, Gernon Road, Letchworth Garden City, England, SG6 3JF.	Ordinary	100%
Express Metal Services Limited	Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	Ordinary	100%
Acton Bright Steel Limited	Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	Ordinary	100%

13. Stocks

	Group 2022 £	Group 2021 £
Goods held for resale	42,819,927	24,821,130

A provision of £6,562,298 (2021: £6,356,254) has been recognised against the stock balance due to slow moving and obsolete stock. The net increase of the provision of £206,044 (2021: increase of £549,376) has been recognised in the income statement.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Debtors

	Group 2022 £	<i>Group 2021 £</i>
Trade debtors	25,242,728	22,569,521
Other debtors	206,590	126,708
Prepayments and accrued income	987,686	883,910
	<u>26,437,004</u>	<u>23,580,139</u>

15. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	19,114,009	19,044,796	-	-
Amounts owed to group undertakings	3,188,630	3,188,630	3,836,880	3,188,630
Corporation tax	2,405,592	-	-	-
Other taxation and social security	1,337,452	1,716,721	-	-
Obligations under finance lease and hire purchase contracts	1,172,312	1,135,336	-	-
Other creditors	106,805	55,104	-	-
Accruals and deferred income	10,208,258	8,049,846	1,001,144	776,280
	<u>37,533,058</u>	<u>33,190,433</u>	<u>4,838,024</u>	<u>3,964,910</u>

The amounts owed to group undertakings are unsecured and do not incur interest.

16. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>
Net obligations under finance leases and hire purchase contracts	957,494	1,255,961
	<u>957,494</u>	<u>1,255,961</u>

All amounts due under finance lease arrangements are secured on the assets to which they relate.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	<i>Group 2021 £</i>
Within one year	1,172,312	1,135,336
Between 1-5 years	957,494	1,255,961
	<u>2,129,806</u>	<u>2,391,297</u>

All amounts due under finance lease arrangements are secured on the assets to which they relate.

18. Deferred taxation

Group

	2022 £
At beginning of year	(383,766)
Charged in the year	(178,463)
Arising on business combinations	(31,969)
At end of year	<u>(594,198)</u>

	Group 2022 £	<i>Group 2021 £</i>
Accelerated capital allowances	(617,263)	(405,042)
Short term timing differences	23,065	21,276
	<u>(594,198)</u>	<u>(383,766)</u>

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Provisions

Group

	Dilapidation provision £
At 1 January 2022	1,058,838
Charged to profit or loss	149,429
At 31 December 2022	1,208,267

The dilapidation provision represents obligations under tenancy leases and is expected to be utilised over the remaining lease terms.

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,000,000 (2021: 2,000,000) Ordinary shares shares of £1.00 each	2,000,000	2,000,000
3,500,000 (2021: 3,500,000) Redeemable preference shares shares of £1.00 each	3,500,000	3,500,000
	5,500,000	5,500,000

Ordinary shares have full rights with regards to voting, participation and dividends.

The shares rank pari-passu with the exception that the redeemable preference shares have no dividend rights.

The redeemable preference shares can be redeemed at par at any time (at the option of the Company) having given not less than three months previous notice in writing. The notice in writing should state the particular shares to be redeemed, the date fixed for redemption and the time and place at which the certificates for such shares are to be presented for redemption. As such, in accordance with FRS 102 section 22 'Liabilities and Equity', these shares have been presented as equity.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Business combinations

On 30 November 2022, the group acquired 100% of the share capital of Acton Bright Steel Limited.

Acquisition of Acton Bright Steel Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair value £
Fixed Assets	
Tangible	190,239
Current Assets	
Stocks	1,533,515
Debtors	1,926,445
Cash at bank and in hand	1,776,450
Total Assets	<u>5,426,649</u>
Creditors	
Due within one year	(1,127,481)
Provisions for liabilities	(31,969)
Total identifiable net assets	<u>4,267,199</u>
Goodwill	1,580,976
Total purchase consideration	<u>5,848,175</u>
Consideration	
	£
Cash	5,799,198
Directly attributable costs	48,977
Total purchase consideration	<u>5,848,175</u>

In the opinion of the Directors, there was no material difference between the assets and liabilities book value and fair value of Acton Bright Steel Limited at the date of acquisition.

COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Pension commitments

The Group's subsidiaries participate in a defined contribution pension scheme for the benefit of all enrolled UK employees. The amounts outstanding at the year end were £62,203 (2021: £55,104).

23. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	1,731,326	1,546,549
Later than 1 year and not later than 5 years	5,206,109	4,918,378
Later than 5 years	4,649,384	4,782,075
	<u>11,586,819</u>	<u>11,247,002</u>

24. Related party transactions

The Group has taken advantage of the exemption contained within section 33.1A of FRS 102 not to disclose transactions with wholly owned members of the same group.

During the year the Group incurred fees from companies that are connected by virtue of common control of £879,129 (2021: £1,135,590). At the year end £43,834 (2021: £Nil) was outstanding.

The total remuneration of key management personnel of the Group, who are considered to be the Directors of the Company and Directors of its subsidiaries, was £1,791,869 (2021: £1,423,563).

25. Post balance sheet events

A dividend of £10,000,000 was declared and paid on 6 July 2023.

26. Controlling party

The immediate and ultimate parent company is Henley Management Company, a company registered in the USA.

The largest and smallest group of which the Company is a member and for which group consolidated financial statements are drawn up is headed by Cobham Aluminium & Stainless Holdings Limited.

The registered office of Cobham Aluminium & Stainless Holdings Limited is disclosed in note 1 of the accounts.