

AEROTECH, LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2023**

AEROTECH, LIMITED

COMPANY INFORMATION

Directors	S. A. Botos S. Smith J. Wisyanski
Company secretary	Clark Nominees Limited
Registered number	01548414
Registered office	5th Floor Thames Tower Station Road Reading Berkshire RG1 1LX
Independent auditors	Creaseys Group Limited Accountants & Statutory Auditors Brockbourne House 77 Mount Ephraim Tunbridge Wells Kent TN4 8BS

AEROTECH, LIMITED

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STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

Aerotech Ltd is a subsidiary of Aerotech Inc. and the main operating activities of the business are Sales and Technical Support of Aerotech's global product range. We operate a consultative sales process understanding our prospects needs and assist them in the selection of the solutions that will help solve their needs.

Business review

FY2023 was a year where orders from the previous year were shipped after the global supply chain shortages created disruption to our operations and our ability to ship systems at higher rates than in FY2022. Net Orders generally tracked to plan during the first half of the financial year, however the combination of cooling demand in capital equipment spending and the fact that customers had placed forward orders in FY2022 to secure their supply chain, lead to a slowing in our repeat business orders. Net Orders Received (NOR) from sales activities finished at 76% of our plan. Our new business orders received were slightly ahead of plan indicating continued demand from customers in our main markets. Our Global Technical Support team also increased orders by 51%.

In terms of overall financial performance, the company met its financial goals in terms of shipments and profitability. Shipments ramped up throughout the year as supply chain issues eased and capacity improved with Q4 shipment rate of £20.44m annualised.

The Company is in a solid financial position, with little risks to cash shortages in the new financial year. The profit for the year was higher than the prior year, at £2,360,960 (2022: £1,563,500) with net assets of £5,988,153 (2022: £4,896,120).

Dividends of £1,268,928 (2022: £891,206) were paid.

Of the orders received, 31% were first orders for new revenue streams. Of the new business, 70% were new design wins from current customers and 30% were new logo first orders. The business of the Company is a mix of domestic and foreign territories, mainly western European countries. The split based on orders is 44% foreign and 56% domestic.

Opportunity generation was 9.1% higher than previous year with 66% of opportunities created for new projects with existing customers or for new customers. 56% of these opportunities were from new customers showing the result of the new business focus. During the year a new CRM system was introduced that will allow better customer management and allows all data to be managed in one place.

Our focus for the coming year will continue to be:

- Continued focus on increasing the number of new customers that we are working with. Each Field Sales engineer has goals that align with this goal and the incentive program has also been aligned to this.
- Continued migration of exiting customer to our latest Automation1 control platform.
- Continued focus in Improved Global Technical Support and selling services to our customers.
- Expand current customers by offering new products. Examples of these products are:
 - Higher levels of integration where the mechatronics approach is key to machine.
 - Light manipulation products such as AGV3D and AGV5D.
 - New products for our Automation1 platform.

AEROTECH, LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties

We are seeing push outs of scheduled delivery dates on orders from our repeat customers to align supply to their expected orders. We believe that this is a short term trend, however we are managing this and where needed increasing the order amount to adjust for increased costs during the life of the order.

Financial key performance indicators

As a summary, the Key Performance Indicators are as follows:

- Sales: £18.454m (2022: £13.554m) +36% YOY
- Profit Before Tax: £2.969m (2022: £1.931m) +53% YOY
- Current ratio: 3.81 (2022: 3.22)
- Net Assets: £5.988m (2022: £4.896m)
- Net Orders Received: - 40.2% YOY

Other key performance indicators

No additional KPIs are monitored by management.

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

S. Smith

Director

Date: 17 August 2023

AEROTECH, LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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 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 £2,360,959 (2022 - £1,563,500).

A dividend of £1,268,928 (2022: £891,206) was approved and paid during the year.

Directors

The directors who served during the year were:

S. A. Botos
S. Smith
J. Wisyanski

Future developments

There are no future developments likely to affect the Company aside from those referenced in the Strategic Report.

AEROTECH, LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

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

S. Smith

Director

Date: 17 August 2023

AEROTECH, LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROTECH, LIMITED

Opinion

We have audited the financial statements of Aerotech, Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the 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 Company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 Auditors' 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.

AEROTECH, LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROTECH, LIMITED (CONTINUED)

Opinion 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

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 applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, compliance with FRS102, UK GAAP, the Companies Act 2006 and relevant UK taxation laws. We discussed amongst the audit engagement team the identified laws and regulations, and remained alert to any indications of non-compliance.

We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and supporting papers. We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included, but were not limited to:

- identifying and reviewing the controls in place to prevent and detect fraud;
- enquiries of management as to whether they have knowledge of any actual, suspected or alleged fraud;
- discussion amongst the engagement team regarding the risk of fraud, such as opportunities and incentives for fraudulent manipulation of the financial statements;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates and revenue recognition policy;
- identifying and testing journal entries, with a focus on manual journals and journals which indicated large or unusual transactions (based on our understanding of the business), and any journal entries posted with unusual timestamps; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the financial statement item.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. There are inherent limitations in the audit procedures described above, and the more removed from the financial transactions, the less likely it is that we would become aware of non-compliance with laws and regulations. We are not responsible for prevention of non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

AEROTECH, LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROTECH, LIMITED (CONTINUED)

Auditors' Report.

Use of our report

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

Jeff Fletcher BA (Hons) FCCA (Senior Statutory Auditor)

for and on behalf of

Creaseys Group Limited

Accountants

Statutory Auditors

Brockbourne House

77 Mount Ephraim

Tunbridge Wells

Kent

TN4 8BS

Date: 21 August 2023

AEROTECH, LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	4	18,453,938	13,554,751
Cost of sales		(13,015,219)	(9,368,618)
Gross profit		<u>5,438,719</u>	<u>4,186,133</u>
Administrative expenses		(2,489,195)	(2,256,313)
Operating profit	5	<u>2,949,524</u>	<u>1,929,820</u>
Interest receivable and similar income	9	<u>20,431</u>	<u>1,338</u>
Profit before tax		<u>2,969,955</u>	<u>1,931,158</u>
Tax on profit	10	(608,996)	(367,658)
Profit after tax		<u><u>2,360,959</u></u>	<u><u>1,563,500</u></u>
Retained earnings at the beginning of the year		<u>4,703,492</u>	<u>4,031,198</u>
		<u>4,703,492</u>	<u>4,031,198</u>
Profit for the year		2,360,959	1,563,500
Dividends declared and paid		(1,268,928)	(891,206)
Retained earnings at the end of the year		<u><u>5,795,523</u></u>	<u><u>4,703,492</u></u>

The notes on pages 13 to 21 form part of these financial statements.

AEROTECH, LIMITED
REGISTERED NUMBER:01548414

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	1,084	3,240
		<u>1,084</u>	<u>3,240</u>
Current assets			
Stocks	13	445,292	284,300
Debtors: amounts falling due within one year	14	5,334,312	4,180,266
Bank and cash balances		2,320,369	2,634,486
		<u>8,099,973</u>	<u>7,099,052</u>
Creditors: amounts falling due within one year	15	(2,112,905)	(2,206,172)
Net current assets		<u>5,987,068</u>	<u>4,892,880</u>
Total assets less current liabilities		<u>5,988,152</u>	<u>4,896,120</u>
Net assets		<u><u>5,988,152</u></u>	<u><u>4,896,120</u></u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Other reserves	17	191,628	191,628
Profit and loss account	17	5,795,524	4,703,492
		<u>5,988,152</u>	<u>4,896,120</u>

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

S. Smith
 Director

Date: 17 August 2023

The notes on pages 13 to 21 form part of these financial statements.

AEROTECH, LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	2,360,959	1,563,500
Adjustments for:		
Depreciation of tangible assets	2,156	8,606
Interest received	(20,431)	(1,338)
Taxation charge	608,996	367,658
(Increase) in stocks	(160,991)	(129,671)
(Increase) in debtors	(1,926,883)	(685,976)
Decrease/(increase) in amounts owed by groups	772,837	(160,551)
(Decrease)/increase in creditors	(222,869)	1,362,830
Increase in amounts owed to groups	78,296	-
Corporation tax (paid)	(557,690)	(265,174)
Net cash generated from operating activities	<u>934,380</u>	<u>2,059,884</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(3,000)
Interest received	20,431	1,338
Net cash from investing activities	<u>20,431</u>	<u>(1,662)</u>
Cash flows from financing activities		
Dividends paid	(1,268,928)	(891,206)
Net cash used in financing activities	<u>(1,268,928)</u>	<u>(891,206)</u>
Net (decrease)/increase in cash and cash equivalents	(314,117)	1,167,016
Cash and cash equivalents at beginning of year	2,634,486	1,467,470
Cash and cash equivalents at the end of year	<u>2,320,369</u>	<u>2,634,486</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,320,369	2,634,486
	<u>2,320,369</u>	<u>2,634,486</u>

The notes on pages 13 to 21 form part of these financial statements.

AEROTECH, LIMITED

ANALYSIS OF NET DEBT FOR THE YEAR ENDED 30 JUNE 2023

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	2,634,486	(314,117)	2,320,369
	<u>2,634,486</u>	<u>(314,117)</u>	<u>2,320,369</u>

The notes on pages 13 to 21 form part of these financial statements.

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Aerotech Limited is a company limited by shares that is domiciled and incorporated in England and Wales.

The address of the Company's registered office is 5th Floor, Thames Tower, Station Road, Reading, Berkshire, England, RG1 1LX.

The address of the Company's principal place of business is The Old Brick Kiln, Ramsdell, Tadley, Hampshire, RG26 5PR.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

2.3 Revenue

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

Revenue and the corresponding cost of sale is recognised when the goods are dispatched to the customer.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

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

2. Accounting policies (continued)**2.6 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%	on cost
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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.

2.7 Financial instruments

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

2.8 Creditors

Short-term creditors are measured at the transaction price.

2.9 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 rate from HMRC (HM Revenue & Customs) rate table for each month. Rates are obtained by email from HMRC just prior to the beginning of the new month, and used from first to last day of the respective calendar month.

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.

2.10 Dividends

Equity dividends are recognised when they become legally payable.

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.11 Operating leases: the Company as lessee

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

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in 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 Company in independently administered funds.

2.13 Taxation

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 in the countries where the Company operates and generates income.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity of the design and manufacture of precision positioning systems.

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	7,740,662	5,881,668
Rest of Europe	7,197,291	4,833,318
Rest of the world	3,515,985	2,839,765
	<u>18,453,938</u>	<u>13,554,751</u>

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Exchange differences	80,241	(163,461)
Other operating lease rentals	<u>68,920</u>	<u>74,314</u>

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	15,120	13,200

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	<u>3,780</u>	<u>3,300</u>
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7. Employees

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

	2023	2022
	£	£
Wages and salaries	1,319,814	1,396,514
Social security costs	182,031	129,941
Cost of defined contribution scheme	59,455	51,523
	<u>1,561,300</u>	<u>1,577,978</u>

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

	2023	2022
	No.	No.
Staff numbers	<u>17</u>	<u>18</u>

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	157,163	375,211
Company contributions to defined contribution pension schemes	8,352	7,879
	<u>165,515</u>	<u>383,090</u>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £162,873 (2022 - £375,211).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,352 (2022 - £7,879).

There are no key management personnel other than the directors.

9. Interest receivable

	2023	2022
	£	£
Other interest receivable	<u>20,431</u>	<u>1,338</u>

10. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	608,996	367,658
Total current tax	<u>608,996</u>	<u>367,658</u>

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% up to 31/03/2023 and 25% thereafter (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Profit on ordinary activities before tax	<u>2,969,955</u>	<u>1,931,158</u>
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 20.5% (2022 - 19%)	608,739	366,920
Effects of:		
Deferred tax not recognised	<u>257</u>	<u>738</u>
Total tax charge for the year	<u><u>608,996</u></u>	<u><u>367,658</u></u>

11. Dividends

	2023	2022
	£	£
Dividends - ordinary shares	<u><u>1,268,928</u></u>	<u><u>891,206</u></u>

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. Tangible fixed assets

	Fixtures and fittings
	£
Cost or valuation	
At 1 July 2022	110,845
Disposals	(17,021)
At 30 June 2023	<u>93,824</u>
Depreciation	
At 1 July 2022	107,605
Charge for the year on owned assets	2,156
Disposals	(17,021)
At 30 June 2023	<u>92,740</u>
Net book value	
At 30 June 2023	<u><u>1,084</u></u>
At 30 June 2022	<u><u>3,240</u></u>

13. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	<u>445,292</u>	<u>284,300</u>

14. Debtors

	2023	2022
	£	£
Trade debtors	4,243,870	2,229,472
Amounts owed by group undertakings	957,235	1,730,072
Other debtors	66,433	155,501
Prepayments and accrued income	66,774	65,221
	<u>5,334,312</u>	<u>4,180,266</u>

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Payments received on account	1,415,582	1,398,730
Trade creditors	28,319	33,966
Amounts owed to group undertakings	78,296	-
Corporation tax	243,979	192,674
Other taxation and social security	47,752	42,527
Accruals and deferred income	298,977	538,275
	<u>2,112,905</u>	<u>2,206,172</u>

16. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
1,000 (2022 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

17. Reserves

Other reserves

The other reserve represents the share premium account, being excess consideration paid by shareholders over the nominal value of the shares.

Profit and loss account

The profit and loss account represents the amalgamation of the historic results of the Company.

18. Pension commitments

The Company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were no contributions payable to the fund at the balance sheet date (2022: £Nil).

AEROTECH, LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	50,094	73,711
Later than 1 year and not later than 5 years	29,878	44,336
	<u>79,972</u>	<u>118,047</u>

20. Controlling party

The ultimate parent company is Aerotech Inc. which is incorporated in the United States of America. This is the smallest and largest group of which the company is included in the consolidated financial statements.

In the opinion of the directors, the ultimate controlling party is the shareholders of Aerotech Inc. acting in concert, by virtue of their combined shareholding.

The financial statements are consolidated into the financial statements of the parent company, Aerotech Inc. The parent company's registered office address is 101 Zeta Drive, Pittsburgh, PA 15238, United States of America.

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