

REGISTERED NUMBER: 02301464 (England and Wales)

**ADVANEX EUROPE LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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**ADVANEX EUROPE LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2022**

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**ADVANEX EUROPE LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2022**

**DIRECTORS:**

I Beardsmore  
M Mullings  
A France  
S Kato  
N Shimamura  
T Yoshihara (Appointed 1 August 2021)  
T Suzuki (Appointed 1 August 2021)  
T Ogushi (Appointed 1 August 2022)

**SECRETARY**

M Mullings

**REGISTERED NUMBER:**

02301464 (England and Wales)

**REGISTERED OFFICE:**

Mill Park Way  
Off Station Road  
Southwell  
Nottingham  
NG25 0ET

**INDEPENDENT AUDITOR:**

Cooper Parry Group Limited  
Chartered Accountants and Statutory Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derbyshire  
DE74 2SA

**SOLICITORS:**

Freeths  
80 Mount Street  
Nottingham  
NG1 6HH

**BANKERS:**

Barclays Bank Plc  
3<sup>rd</sup> Floor Office  
2 High Street  
Nottingham  
NG1 2EN

Mizuho Corporate Bank Ltd  
Bracken House  
One Friday Street  
London  
EC4M 9JA

Bank of Tokyo-Mitsubishi UFJ Ltd  
London Branch  
Finsbury Circus House  
12-15 Finsbury Circus  
London  
EC2M 7BT

**ADVANEX EUROPE LIMITED**  
**GROUP STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**PRINCIPAL ACTIVITIES**

The group's principal activity continues to be the manufacture and supply of precision parts, metal components, springs and wire shapes. There have not been any significant changes in the company's principal activities in the year under review. A review of the business performance is included.

**REVIEW OF BUSINESS**

The group has made a profit after tax for the financial year of £153,000 (2021: £625,000).

As shown on page 9, the group's sales have decreased by 3% on the prior year. This is due to the slower than anticipated recovery in the aerospace market from the Coronavirus pandemic. The balance sheets on pages 10 and 11 of the financial statements show the group's and company's financial position at the year end. Both show a healthy position.

Performance in the UK remains strong, but the overall group result for the year was impacted by a loss before tax of £817,000 (2021: £1,058,000) attributable to the group's subsidiary company based in the Czech Republic. The Czech facility was established principally to service the automotive industry. The recovery of this sector after the pandemic has been slower than anticipated, with potential customers demonstrating reluctance in establishing new working relationships. In response, the UK site transferred an element of established business to the Czech facility.

**OTHER KEY PERFORMANCE INDICATORS**

The directors utilise various Key Performance Indicators in order to measure the performance of the business against competitors and previous periods.

The main Key Performance Indicators include Turnover £14,242,000 (2021: £14,707,000), Operating profit £558,000 (2021: £1,017,000) and Consolidated Net Assets £11,250,000 (2021: £11,463,000). As noted above the consolidated profits continue to be impacted by the start-up losses made in the Czech Republic as the delayed new production facility there gets under way.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Competitive pressure in the market is a continuing risk for the group and company. The group and company manage this risk by providing high quality innovative products and strong technical support to its customers, ensuring fast response times not only in supplying products but in handling all customer queries and by maintaining strong relationships with customers.

Credit risk arises on financial instruments such as trade receivables. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history.

The group and company are exposed to interest rate changes as all cash held at bank is held at floating rates and to exchange rate risk on foreign currency denominated sales. The company does not hedge its exposure to exchange rate fluctuations or interest rate changes.

The financial and trading position of Advanex Europe Limited is intrinsically linked with that of its parent group Advanex Inc. The directors are in close contact with the parent company to ensure that they are aware of any decisions and events at a group level which could impact the UK based group. This could include the intention to withdraw dividends or loans from the company or to significantly alter the scale of operations in the UK.

**FUTURE DEVELOPMENTS**

The company continues to invest in its manufacturing facilities to increase output to deliver the future strategic growth plans. There is a strong order book for the future which will maintain the company's position.

**ADVANEX EUROPE LIMITED**

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

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
*Marian Mullings*  
4494603B56724F4.....

M Mullings - Director  
30 September 2022

**ADVANEX EUROPE LIMITED**

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

The directors present their report with the consolidated financial statements for the year ended 31 March 2022.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £153,000 (2021: £625,000). During the year dividends of £490,000 (2021: £550,000) were paid. The directors do not recommend the payment of any further dividends.

**DIRECTORS**

The directors who served during the year are noted on the Company information page.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 Standards), 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

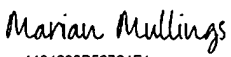
**MATTERS COVERED IN THE STRATEGIC REPORT**

The directors have chosen to disclose information required under Sch. 7 of the Companies Act 2006 (strategic report and directors' report) Regulations 2013 within the Strategic report.

**STATEMENT AS TO 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 which the company and the group auditors is unaware, and the director has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

**ON BEHALF OF THE BOARD:**

DocuSigned by:  
  
.....4404603B66724F4.....  
M Mullings - Director  
30 September 2022

**ADVANEX EUROPE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANEX EUROPE LIMITED**

**Opinion**

We have audited the financial statements of Advanex Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year 1 April 2021 to 31 March 2022, which comprise the group Statement of Comprehensive income, the group and company Balance Sheets, the group and company Statements of Changes in Equity 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 the parent company's affairs as at 31 March 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.*

**ADVANEX EUROPE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANEX EUROPE 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 our knowledge and understanding of the group and 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 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 4, 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.

**ADVANEX EUROPE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANEX EUROPE LIMITED (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- obtaining an understanding of the legal and regulatory framework applicable to the group and how the group is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the group's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- an understanding of the group's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside of the normal course of business and reviewing accounting estimates for bias, specifically around the areas of stock valuation, provisions in relation to trading matters and the carrying value of investments and debts due from subsidiary entities.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and associated parties.

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 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, omissions or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

**ADVANEX EUROPE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANEX EUROPE LIMITED (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Faye Wyles (Senior Statutory Auditor)  
for and on behalf of Cooper Parry Group Limited  
Chartered Accountants and Statutory Auditor  
Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derbyshire  
DE74 2SA

Date: 30 September 2022

**ADVANEX EUROPE LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

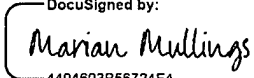
	Notes	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
<b>TURNOVER</b>	4	14,242	14,707
Changes in stocks		385	270
		<u>14,627</u>	<u>14,977</u>
Other operating income		115	13
		<u>14,742</u>	<u>14,990</u>
Raw materials and consumables		(3,312)	(3,042)
Other external expenses		(3,607)	(3,801)
		<u>7,823</u>	<u>8,147</u>
Staff costs	5	(6,193)	(6,127)
Depreciation		(1,072)	(1,003)
		<u>558</u>	<u>1,017</u>
<b>OPERATING PROFIT</b>		<b>558</b>	<b>1,017</b>
Interest receivable and similar income		10	23
		<u>10</u>	<u>23</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>568</b>	<b>1,040</b>
Tax on profit on ordinary activities	7	(415)	(415)
		<u>(415)</u>	<u>(415)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>153</b>	<b>625</b>
Other comprehensive income/(expense) for the year		124	(12)
		<u>124</u>	<u>(12)</u>
<b>Total comprehensive income for the year</b>		<b>277</b>	<b>613</b>
		<u>277</u>	<u>613</u>

## ADVANEX EUROPE LIMITED (REGISTERED NUMBER: 02301464)

CONSOLIDATED BALANCE SHEET  
31 MARCH 2022

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	7,903	7,871
<b>CURRENT ASSETS</b>			
Stocks	11	2,400	2,015
Debtors	12	3,299	3,657
Cash at bank and in hand		1,587	2,158
		<u>7,286</u>	<u>7,830</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(3,151)</u>	<u>(3,726)</u>
<b>NET CURRENT ASSETS</b>		<u>4,135</u>	<u>4,104</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>12,038</b>	<b>11,975</b>
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(788)</u>	<u>(512)</u>
<b>NET ASSETS</b>		<u><u>11,250</u></u>	<u><u>11,463</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	4,050	4,050
Profit and loss account		7,200	7,413
		<u>11,250</u>	<u>11,463</u>

The financial statements were approved by the Board and were signed on its behalf by:

DocuSigned by:  
  
 30 September 2022  
 .....A49A8Q3B56Z24FA.....  
 M Mullings - Director


## ADVANEX EUROPE LIMITED (REGISTERED NUMBER: 02301464)

COMPANY BALANCE SHEET  
31 MARCH 2022

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	6,569	6,570
Investments	10	6	6
		<u>6,575</u>	<u>6,576</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,043	1,907
Debtors	12	3,180	3,624
Cash at bank and in hand		1,312	2,054
		<u>6,535</u>	<u>7,585</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(2,779)</u>	<u>(3,411)</u>
<b>NET CURRENT ASSETS</b>		<u>3,756</u>	<u>4,174</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,331</b>	<b>10,750</b>
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(788)</u>	<u>(512)</u>
<b>NET ASSETS</b>		<u>9,543</u>	<u>10,238</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	4,050	4,050
Profit and loss account		5,493	6,188
		<u>9,543</u>	<u>10,238</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive income in these financial statements. The parent company's profit for the year before exceptional costs was £975,000 (2021: £1,677,000 (restated)). After the impairment of the inter-company debtor the parent company's loss for the year was £205,000 (2021: profit £695,000).

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

DocuSigned by:  
  
 4494603856724F4..... 30 September 2022  
 M Mullings – Director

The notes on pages 14 to 27 form part of these financial statements

## ADVANEX EUROPE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2020	4,050	7,350	11,400
<b>Comprehensive income for the year</b>			
Profit for the year	-	625	625
Currency translation differences	-	(12)	(12)
<b>Total comprehensive income for the year</b>	-	613	613
Dividends	-	(550)	(550)
<b>Total transactions with owners</b>	-	(550)	(550)
<b>Balance at 31 March 2021</b>	<u>4,050</u>	<u>7,413</u>	<u>11,463</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2021	4,050	7,413	11,463
<b>Comprehensive income for the year</b>			
Profit for the year	-	153	153
Currency translation differences	-	124	124
<b>Total comprehensive income for the year</b>	-	277	277
Dividends	-	(490)	(490)
<b>Total transactions with owners</b>	-	(490)	(490)
<b>Balance at 31 March 2022</b>	<u>4,050</u>	<u>7,200</u>	<u>11,250</u>

The notes on pages 14 to 27 form part of these financial statements

## ADVANEX EUROPE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £'000	RESTATED Profit and loss account £'000	Total equity £'000
Balance at 1 April 2020	4,050	6,043	10,093
<b>Comprehensive income for the year</b>			
Profit for the year before exceptional costs	-	1,677	1,677
Impairment of inter-company debtor	-	(982)	(982)
<b>Total comprehensive income for the year</b>	-	695	695
Dividends	-	(550)	(550)
<b>Total transactions with owners</b>	-	(550)	(550)
<b>Balance at 31 March 2021</b>	<b>4,050</b>	<b>6,188</b>	<b>10,238</b>

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2021	4,050	6,188	10,238
<b>Comprehensive income for the year</b>			
Profit for the year before exceptional costs	-	975	975
Impairment of Inter-company debtor	-	(1,180)	(1,180)
<b>Total comprehensive income for the year</b>	-	(205)	(205)
Dividends	-	(490)	(490)
<b>Balance at 31 March 2022</b>	<b>4,050</b>	<b>5,493</b>	<b>9,543</b>

The notes on pages 14 to 27 form part of these financial statements

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**1. STATUTORY INFORMATION**

Advanex Europe Limited is a private company limited by shares incorporated and domiciled in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page.

The principal activities of the company and its subsidiaries (the group) together with the nature of the group's operations are set out in the strategic report on pages 2 to 3.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and The Companies Act 2006.

The financial statements are prepared in Sterling (£). The financial statements are for the year ended 31 March 2022 (2021: 52 weeks ended 31 March 2021).

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

**Going concern**

At the balance sheet date, the business remains in a net assets position, with cash reserves. This, combined with the financial forecasts prepared by the directors show that the company will be able to operate within the facilities available to it for a period of at least 12 months from the date of signing these accounts.

On that basis, the directors have prepared the financial statements on a going concern basis.

**Basis of consolidation**

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

The consolidated financial statements incorporate the results of the business combinations using the purchase method. In the balance sheet, 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. In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

**Exemptions**

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, and presentation of a cash flow. Where required, equivalent disclosures are given in the group accounts of Advanex Group Inc. The group accounts of Advanex Group Inc. are available to the public and can be obtained as set out in note 19.

**Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Turnover 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:

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**2. ACCOUNTING POLICIES – Continued**

**Turnover (continued)**

**Sales of goods**

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

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

**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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive income during the year in which they are incurred.

Freehold land is not depreciated. No depreciation is charged on assets in the course of construction until the assets are complete.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. Depreciation is provided on the following bases:

Freehold buildings - 2% straight line

Long leasehold property – 6.67% straight line

Factory refurbishment - 2% straight line

Plant, machinery and tooling - 10% -to 33.3% straight line

Fixtures and fittings, motor vehicles and computer equipment - 10% to 33.3% straight line

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 within 'Other operating income' in the Consolidated Statement of Comprehensive income.

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**2. ACCOUNTING POLICIES – Continued**

**Investments**

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the Consolidated Statement of Comprehensive income and the value of the investment is reduced accordingly.

**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 cost 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 the Consolidated Statement of Comprehensive income.

**Financial instruments**

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the Balance Sheet date.

**Operating leases**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive income on a straight-line basis over the period of the lease.

**Foreign currency translation**

*Functional and presentational currency*

The company's functional and presentational currency is Sterling (£).

*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. Nonmonetary items are measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Foreign exchange gains and losses are recognised in the Consolidated Statement of Comprehensive income within other external expenses.

On consolidation, the result of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translation the opening net assets at the opening rate and the results of overseas operations at the actual rate are recognised in other comprehensive income.

**Pensions**

The group operates a defined contribution plan for qualifying 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 the Consolidated Statement of Comprehensive income 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.

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**2. ACCOUNTING POLICIES – Continued**

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Share capital**

Ordinary shares are classified as equity.

**Dividends**

Equity dividends are recognised when they become legally payable.

**Prior year restatement**

During the year, the directors reviewed the classification of items within the profit and loss account and have reclassified an expense in relation to an impairment of an intercompany debtor between administrative expenses and exceptional expenses to better reflect the nature of those transactions.

The prior year statement of changes in equity in relation to the company has been restated to split out £982,000 of exceptional items. This has had no impact on the profit or the net assets of the group or company.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Management makes estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgement 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.

The estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

**Operating leases**

Determining whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis based on an evaluation of the terms and conditions of the arrangements.

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued**

**Impairment of fixed assets and investments in subsidiary companies**

The company and group assess the impairment of fixed assets and investments in subsidiaries whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy, and
- Significant negative industry or economic trends.

The following are the group's key sources of estimation uncertainty:

**Carrying value of stocks**

Management reviews the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

**Recoverability of trade debtors**

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Consolidated Statement of Comprehensive income.

**Provisions**

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

**Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

**Taxation**

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and take professional advice where appropriate.

ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
United Kingdom	3,033	2,840
Americas	4,623	5,427
Rest of the world	6,586	6,440
	<u>14,242</u>	<u>14,707</u>

5. EMPLOYEES AND DIRECTORS

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

	Group		Company	
	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Wages and salaries	5,269	5,242	5,008	5,093
Social security costs	573	531	524	486
Pension costs	351	354	351	354
	<u>6,193</u>	<u>6,127</u>	<u>5,883</u>	<u>5,933</u>

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

	Group		Company	
	Year Ended 31/03/22 No.	Year Ended 31/03/21 No.	Year Ended 31/03/22 No.	Year Ended 31/03/21 No.
Production	109	107	106	104
Sales	15	16	14	15
Distribution	34	35	33	34
	<u>158</u>	<u>158</u>	<u>153</u>	<u>153</u>

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Directors' remuneration	376	427
Directors' pension contributions to defined contribution schemes	<u>74</u>	<u>56</u>

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 5. EMPLOYEES AND DIRECTORS - Continued

The number of directors to whom retirement benefits were accruing was as follows:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Defined contribution pension schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Emoluments	147	176
Pension contributions to defined contribution pension scheme	<u>28</u>	<u>28</u>

## 6. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Operating lease charges	488	421
Depreciation on tangible fixed assets	1,072	1,003
Gain on disposal of fixed assets	(14)	(6)
Auditors' remuneration	46	28
Foreign exchange differences	<u>(63)</u>	<u>23</u>

Auditor's remuneration for the company was £36,000 (2021: £28,000).

## 7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Current tax:		
UK corporation tax for the period	149	288
Adjustment in respect of previous periods	<u>(10)</u>	<u>(4)</u>
Total current tax	139	284
Deferred tax:		
Origination and reversal of timing differences	115	131
Effect of tax rate change on opening balance	161	-
Taxation on profit on ordinary activities	<u>415</u>	<u>415</u>

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 7. TAXATION - continued

## Factors affecting tax charge for the year

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

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Profit on ordinary activities before tax	<u>568</u>	<u>1,040</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)		
Tax on UK operations	<u>108</u>	<u>198</u>
	<b>108</b>	<b>198</b>
Effects of:		
Fixed assets timing difference	<b>(11)</b>	7
Adjustments to tax charge in respect of prior periods	<b>(10)</b>	(4)
Remeasurement of deferred tax for changes in tax rate	<b>189</b>	202
Deferred tax not recognised in overseas subsidiaries	<u>139</u>	<u>12</u>
Total tax charge	<u><b>415</b></u>	<u><b>415</b></u>

## Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at the balance sheet date. As such, the deferred tax rate applicable at 31 March 2022 is 25% and deferred tax has been re-measured at this rate. In the recent budget on 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate would not increase to a maximum of 25% however this not been enacted as at year end.

## 8. DIVIDENDS

Dividends paid during the year amounted to £490,000 (2021: £550,000).

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 9. TANGIBLE FIXED ASSETS

## Group

	Land and buildings £'000	Long leasehold	Factory refurbishment £'000	Plant, machinery and tooling £'000	Fixtures and fittings, Motor vehicles and Computer equipment £'000	Construction in progress £'000	Total £'000
<b>COST</b>							
At 1 April 2021	1,534	829	356	10,315	2,277	925	16,236
Additions	-	46	-	725	167	93	1,031
Disposals	-	-	-	(116)	(22)	-	(138)
Reclassification/transfer	-	-	-	820	(339)	(481)	-
Exchange adjustments	-	53	-	2	43	-	98
At 31 March 2022	<u>1,534</u>	<u>928</u>	<u>356</u>	<u>11,746</u>	<u>2,126</u>	<u>537</u>	<u>17,227</u>
<b>DEPRECIATION</b>							
At 1 April 2021	502	107	229	5,887	1,640	-	8,365
Charge for the year	38	68	5	836	125	-	1,072
Eliminated on disposal	-	-	-	(103)	(21)	-	(124)
Exchange adjustments	-	7	-	-	4	-	11
At 31 March 2022	<u>540</u>	<u>182</u>	<u>234</u>	<u>6,620</u>	<u>1,748</u>	<u>-</u>	<u>9,324</u>
<b>NET BOOK VALUE</b>							
At 31 March 2022	<u>994</u>	<u>746</u>	<u>122</u>	<u>5,126</u>	<u>378</u>	<u>537</u>	<u>7,903</u>
As at 1 April 2021	<u>1,032</u>	<u>722</u>	<u>127</u>	<u>4,428</u>	<u>637</u>	<u>925</u>	<u>7,871</u>

Included in Land and buildings is Freehold land and buildings of £496,000 (2021: £506,000) and Long leasehold land and buildings of £498,000 (2021: £526,000).

Included in the Freehold land and buildings is land valued at £320,000 (2021: £320,000) which is not depreciated.

There is a fixed and floating charge secured against the freehold property.

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 9. TANGIBLE FIXED ASSETS - Continued

## Company

	Land and buildings £'000	Factory refurbishment £'000	Plant, machinery and tooling £'000	Fixtures and fittings, Motor vehicles and Computer equipment £'000	Construction in progress £'000	Total £'000
<b>COST</b>						
At 1 April 2021	1,534	356	10,063	1,896	925	14,774
Additions	-	-	647	167	93	907
Reclassification/transfer	-	-	481	-	(481)	-
Disposals	-	-	(115)	(22)	-	(137)
At 31 March 2022	1,534	356	11,076	2,041	537	15,544
<b>DEPRECIATION</b>						
At 1 April 2021	502	229	5,884	1,589	-	8,204
Charge for the year	38	5	731	122	-	896
Eliminated on disposal	-	-	(103)	(22)	-	(125)
At 31 March 2022	540	234	6,512	1,689	-	8,975
<b>NET BOOK VALUE</b>						
At 31 March 2022	994	122	4,564	352	537	6,569
At 1 April 2021	1,032	127	4,179	307	925	6,570

Included in Land and buildings is Freehold land and buildings of £496,000 (2021: £506,000) and Long leasehold land and buildings of £498,000 (2021: £526,000).

Included in the Freehold land and buildings is land valued at £320,000 (2021: £320,000) which is not depreciated.

There is a fixed and floating charge secured against the freehold property.

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 10. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £'000
<b>COST</b>	
At 1 April 2021 and at 31 March 2022	3,946
<b>PROVISIONS</b>	
1 April 2021 and at 31 March 2022	3,940
<b>NET BOOK VALUE</b>	
At 31 March 2022	6
At 1 April 2021	6

The investment includes a 100% shareholding of the ordinary shares of Kato-Entex Limited, a dormant company which is incorporated in the United Kingdom. The registered address of the company is Glaisdale Drive, Bilborough, Nottingham, NG8 4JY.

Advanex Europe Limited owns 100% of the issued share capital of Advanex Deutschland, a company incorporated in Germany. The principal activity of Advanex Deutschland is sales support to the other Advanex Group Companies. The registered address of the company is Schifferstrasse 210, 47059 Duisberg, Germany.

Advanex Europe Limited owns 100% of the issued share capital of Advanex Czech Republic, a company incorporated in the Czech Republic. The principal activity of Advanex Czech Republic is the manufacture and supply of precision parts, metal components, springs and wire shapes. The registered office of the company is U Tabulky 3085, Horni Pocernice, 193 00 Praha 9 Czech Republic.

## 11. STOCKS

	Group		Company	
	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Raw materials	1,477	915	1,352	825
Work-in-progress	429	713	421	713
Finished goods	494	387	270	369
	<u>2,400</u>	<u>2,015</u>	<u>2,043</u>	<u>1,907</u>

An impairment loss of £158,000 (2021: £110,000) was recognised in changes in stock due to movements on slow-moving and obsolete stock.

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Trade debtors	2,575	2,953	2,249	2,937
Amounts owed by group undertakings	264	25	531	67
Other debtors	198	499	190	480
Prepayments and accrued income	262	180	210	140
	<u>3,299</u>	<u>3,657</u>	<u>3,180</u>	<u>3,624</u>

An impairment loss of £2,000 (2021: £3,000) was recognised in other external expenses against trade debtors.

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

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Trade creditors	946	755	891	708
Amounts owed to group undertakings	236	-	236	25
Amounts owed to ultimate parent company	-	134	-	134
Corporation tax	11	291	11	291
Social security and other taxes	202	157	183	157
Other creditors	98	59	96	53
Accruals and deferred income	1,658	2,330	1,362	2,043
	<u>3,151</u>	<u>3,726</u>	<u>2,779</u>	<u>3,411</u>

**14. LEASING AGREEMENTS**

As at 31 March 2022 the group and the company had future minimum lease payments under non-cancellable operating leases fall due as follows:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Within one year	441	99
Between one and five years	1,663	463
Greater than five years	3,249	1,180
	<u>5,353</u>	<u>1,742</u>

## ADVANEX EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022

## 14. LEASING AGREEMENTS - Continued

As at 31 March 2022 the group and the company had future minimum lease receipts under non-cancellable operating leases fall due as follows:

	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
Within one year	185	26
Between one and five years	752	104
Greater than five years	1,316	183
	<u>2,253</u>	<u>313</u>

## 15. PROVISIONS FOR LIABILITIES

	Group		Company	
	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000	Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
<b>Deferred tax</b>				
Accelerated capital allowances	821	538	821	538
Other timing differences	(33)	(26)	(33)	(26)
	<u>788</u>	<u>512</u>	<u>788</u>	<u>512</u>
			Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
<b>GROUP</b>				
Balance at 1 April 2021			512	381
Charge to the Consolidated Statement of Comprehensive income			276	131
Balance at 31 March 2022			<u>788</u>	<u>512</u>
			Year Ended 31/03/22 £'000	Year Ended 31/03/21 £'000
<b>COMPANY</b>				
Balance at 1 April 2021			512	381
Charge to the Statement of Comprehensive income			276	131
Balance at 31 March 2022			<u>788</u>	<u>512</u>

**ADVANEX EUROPE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2022**

**16. CAPITAL AND RESERVES**

**Called up share capital**

Allotted, issued and fully paid:

Number	Class	Nominal Value	Year Ended	Year Ended
			31/03/22	31/03/21
			£'000	£'000
4,050,000	Ordinary	£1	<u>4,050</u>	<u>4,050</u>

**17. PENSION AND CAPITAL COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £351,000 (2021: £354,000). Contributions totalling £49,000 (2021: £28,000) were payable to the fund at the balance sheet date and are included within creditors.

As at 31 March 2022, the company had capital commitments totalling £489,000 (2021: £nil).

**18. RELATED PARTY DISCLOSURES**

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of FRS 102 section 33.1A exemption from disclosing transactions with group undertakings.

The directors are considered to be the only employees who have the authority and responsibility for planning, directing and controlling the activities of the company and are considered to be key management personnel. Their remuneration is disclosed in note 5.

**19. ULTIMATE CONTROLLING PARTY**

The company's immediate and ultimate parent company is Advanex Group Inc. which is incorporated in Japan. Copies of the group's financial statements can be obtained from Advanex Group Inc., 6-1-1 Tabata, kita-ku, Tokyo, Japan 114-8581.