

Registration number: 01454059

Blanc Aero Industries UK Limited

Annual report and audited financial statements
for the year ended 31 December 2024



Blanc Aero Industries UK Limited

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Blanc Aero Industries UK Limited

Company information

Directors	C Dejean E Viellard M Capell E Neildez
Company secretary	S Tomes
Registered office	38 Butlers Leap Rugby Warwickshire CV21 3RQ
Auditors	Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ

Blanc Aero Industries UK Limited

Strategic report For the year ended 31 December 2024

The directors present their Strategic report for the year ended 31 December 2024.

Principal activity

The company's principal activity during the year was the manufacture of aerospace fastening systems.

Business review and future developments

Sales increased to £65.3 million in 2024, up from £52.2 million in 2023, marking a 25% growth. This rise is attributed to heightened customer demand driven by increased aircraft production rates and limited market capacity for aerospace fastening systems.

The pre-tax profit margin increased to 33.1% in 2024, compared to 29.3% in 2023.

The revenue growth necessitated additional recruitment to meet the increased demand, leading to a higher headcount. The improvement in profitability stems from enhanced manufacturing efficiencies and a surge in fast-track and premium orders, which command higher margins.

Forecasted sales for 2025 are in the region of £70 million, with projected EBIT of £17.5 million.

The company invested £3.1 million in capital equipment in 2024 (2023: £1.3 million), with a total commitment of £2.9 million. This investment is aimed at acquiring modern, capable equipment to support future growth and expansion.

Our capital investment focuses on the next generation of Smart Factory machines, capable of basic machine learning, which will significantly enhance operational efficiencies. The full-scale rollout of the Smart Factory project, now expanded to include three full production lines, is expected to cost approximately £7 million and be completed by 2027.

In developing the Smart Factory, we have collaborated closely with the University of Sheffield Advanced Manufacturing Research Centre (AMRC), securing £975,000 in funding from the Aerospace Technology Institute. Of this, £600,000 has been allocated to Blanc Aero Industries UK Limited between 2022 and 2024. By the end of 2024 all funds have been allocated.

The company again had a strong cash position with £22k cash or cash equivalents (2023: £85k) and £26.8m (2023: £12.6m) in a cash pooling arrangement with group. The company had an average of 36.5 (2023: 22) days of purchases outstanding in trade payables.

<i>Key performance indicators</i>	<i>Definition</i>	2024	2023
Return on sales	PBT/turnover	33.1%	29.3%
Gross profit %	Gross profit/turnover	48.9%	49.2%
Operating working capital turns	Turnover/trade receivables + inventories - trade payables	9.2	6.5
Inventory turns	Annual cost of sales/inventories	4.0	3.0
Operating profit per employee (£k)	Operating profit/employees	61.9	50.8

Principal risks and uncertainties

Competitive risks

The company manages competitive trading risk by providing added value services to its customers, having fast response times not only in supplying products but also in handling all customer queries; and by maintaining strong relationships with customers.

Blanc Aero Industries UK Limited

Strategic report

For the year ended 31 December 2024 (continued)

Principal risks and uncertainties (continued)

Market risks

The company depends to a large extent on the state of the market in the aerospace sector. Dependence on a small number of major customers constitutes a risk that the company is trying to reduce by gaining new customers. Losing a major customer could nevertheless have a large impact. Even so, the company addresses this risk with extensive development work and the best possible service in terms of delivery, which results in establishing very close and stable customer relationships.

Liability risks

The company's sales are primarily technically sophisticated products with high safety standards. The company is therefore exposed to product liability risks. These risks are minimised by taking effective measures as part of process safety and quality assurance.

Environmental risks

Blanc Aero Industries UK Limited adheres to all current statutory regulations and will remain compliant with any updates under the Environment Act 2021. We hold all necessary permits for discharges and waste management. Our company is ISO 14001 accredited and participates in the Energy Savings Opportunities Scheme (ESOS) through our energy broker, benefiting from a zero Climate Change Levy due to qualifying processes like heat treatment and metal forming.

We are currently preparing for ISO 50001 certification, anticipated in 2025. The company is committed to reducing energy consumption and has recently implemented an energy management system to monitor energy and CO2 usage in real time. Additionally, we are focused on reducing water usage, highlighted by the installation of a water harvesting system, and minimizing emissions that could impact the local environment.

Our Corporate and Social Responsibility program also encompasses initiatives to reduce our environmental impact.

Financial instrument risks

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk.

Use of derivatives

The company undertakes certain transactions denominated in foreign currencies, principally the US dollar and Euro. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters as appropriate and are monitored on a monthly basis by the company. It is currently the policy of the company to use US dollar forward foreign currency contracts in the form of exchange rate collars and exchange rate accumulators to manage its currency risk.

Exposure to credit risk

Credit risk is managed by agreeing payment terms in advance, including progress payments and upfront payments. Appropriate credit control procedures are followed where credit risk is perceived. Where credit risk is considered to be high, contracts must provide for payments to be made either by irrevocable letter of credit or payment before dispatch. The company has minimal third party debt and therefore has limited credit risk exposure.

Blanc Aero Industries UK Limited

Strategic report

For the year ended 31 December 2024 (continued)

Increased demand in the fasteners market

Current market conditions indicate a surge in demand and extended lead times for aircraft fasteners. This is driven by increased aircraft build rates and a capacity shortfall in the market. Many manufacturers reduced their production capacity during COVID-19 and have been slow to scale back up to meet current needs. In response, the company has increased production levels and expanded its workforce to accommodate this heightened demand.

Impact of Political Situation in Ukraine

The political situation in Ukraine had impacted global supply of Titanium in 2023. The situation has now improved, but to mitigate risk, the company are still placing orders up to six months in advance. All price increases/surcharges for 2025 have been allowed for in financial forecasting.

There have been no changes post year end which would require impairment of assets reported at 31st December 2024.

Going concern

The directors reviewed several factors when considering whether the financial statements should be prepared on a going concern basis:

- The Company's business activities, together with management's current view of circumstances likely to affect its future development, performance, and financial position (summarised in the Strategic Report on page 2).
- The financial position of the Company, its principal risks and uncertainties, its cash flows and net cash position and policies for managing financial risk.
- Recent detailed financial forecasts and analysis.

Financial impact assessment

The company has a strong balance sheet with £26.8m of cash reserves. The cash reserves are held within a cash pooling arrangement at a group level. After considering this and the factors above, the Directors have obtained a Letter of Support from the parent company, Compagnie Industrielle de Delle S.A, covering a period of 12 months from the date of these financial statements.

Blanc Aero Industries operates as part of an international group of companies which are known globally as Lisi Group. Lisi Group is split into 3 divisions, and Blanc Aero Industries is part of the Aerospace Division, of which the parent company is Lisi Aerospace SA. The ultimate parent company for Lisi Group Companies is Compagnie Industrielle de Delle SA.

Going concern - Lisi Group

The UK directors have made enquiries of the directors of the parent company about the parent company's ability to provide support and reviewed the group forecasts and a stress tested cash model which shows ability to support even in a severe downside scenario.

The latest forecast scenarios simulated under current conditions show that, given the robust nature of its balance sheet, the Group has no business continuity risk. Lisi Group reported €1.79bn sales in 2024 with EBIT of €115m.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to operate for a period of 12 months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Blanc Aero Industries UK Limited

Strategic report

For the year ended 31 December 2024 (continued)

Operational impact

The company has based the forecast on current market conditions and order books.

Section 172(1) statement

The directors' approach

The directors have promoted a culture of active collaborative teamwork and innovation in working practices and processes, with a strong emphasis on customer focus, and always with a high sense of integrity and honesty.

The directors have taken decisions and acted in the way which they consider, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

Maintaining our licence to operate

S172(1) (A) "The likely consequences of any decision in the long term"

Our strategy is to be among at least the top 3 worldwide in each of our product lines and to continue to build on strong operational performance: HSE. Quality. Productivity and delivery performance, with a focus on airframe Titanium Hi-lite pin market.

At the heart of our purpose are five shared values: Looking beyond, communicating with transparency, cultivating innovation, developing our know-how and always aiming higher.

This is, in part, to be achieved by building on our established and mature culture of continuous improvement. This ensures the business remains viable both today, and in the future, by preparing for changes to the market place and flight habits, cost reduction within the supply chain, and through investing in technologies to minimise cost such as automation, enhance digitalisation and data management plus embracing industry 4.0 manufacturing practices.

Underpinning the strategy is a three year strategic plan which ensures all key activities are aligned with the achievement of the long term goals. This process is perpetuated through all levels of the business to ensure a consistent and coordinated approach to the success of the business.

S172(1) (B) "The interests of the company's employees"

The Directors identify the interests of the company's employees as key to the long term success of the business, and are committed to attract and retain the best employees and skills. This is seen both at a strategic level where attractiveness of the business is identified as one of the four key drivers, and at the operational level where safety is of primary importance.

Attractiveness is addressed through active engagement with local universities and colleges, through the development and implementation of new technologies, employee development and training and through the provision of a safe and pleasant working environment.

The safety and wellbeing of our employees are paramount, as evidenced by our performance indicators: we have had no lost-time accidents in the past nine years. In addition to physical health, we prioritize mental wellbeing by providing trained mental health coaches to support our workforce. Our commitment to our employees has earned us the Investors in People Gold award and the Investors in People Wellbeing Gold award. Since 2022 the company has won a number of national, industry awards in topics such as people and skills, developing future talent, employee wellbeing, Health and safety and EDI. Additionally the company was awarded the Make UK National Manufacturer of the year in 2024.

Furthermore, in 2023 one of our engineers was awarded the National Young Manufacturer of the year and in 2024 one of our apprentices was awarded the Enginuity Higher level apprentice and Best of British national awards.

Blanc Aero Industries UK Limited

Strategic report For the year ended 31 December 2024 (continued)

Section 172(1) statement (continued)

Maintaining our licence to operate (continued)

S172(1) (B) "The interests of the company's employees" (continued)

An active Works Council ensures that employees, as stakeholders, have visibility and input in decision-making processes and that effective communication channels are maintained. We are currently collaborating with The University of Birmingham on a project aimed at enhancing communication and culture within the company to optimize the working environment and overall employee experience.

We prioritize full-time employment over temporary staffing, providing our employees with a comprehensive benefits package and ensuring a stable, skilled workforce with low turnover and absence rates. Flexible working arrangements are available for office staff, and we actively utilize the apprenticeship levy to build skills for our future workforce. Our efforts in this area have been recognized with the NextGen Makers Gold Excellent Employer Kitemark for our Engineering apprenticeships since 2023. Additionally, we offer placements to interns and T Level students.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

In order to achieve the long term goals of the company, the Directors recognise that long term relationships are required with many stakeholders, including customers and suppliers of products and services.

Stakeholders are identified through the CSR process in line with the LISI Group's sustainable development strategy, structured around three entry points called the 3Ps: PEOPLE, PLANET, PROFIT with a clear action plan and steering committee.

Strong relationships have been fostered with, amongst others, specialist organisations such as the AMRC who support the smart factory initiative, equipment developers and integrators, tooling suppliers and raw material suppliers. Relationships with a number of universities have been built to provide a mutually beneficial process of knowledge sharing.

Strong communication is key to business relationships and is supported through regular review meetings and accurate reporting of performance targets and indicators.

Communication is maintained with group stakeholders through regularly timetabled Management meetings and a well-defined digitalised escalation and communication process.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The company has a well-established ISO14001 system and subscribes to the Energy Savings Opportunity Scheme (ESOS) and Climate Change Levy (CCL) schemes.

These processes identify all environmental risks which are proactively managed and incorporate an energy reduction plan.

Lisi Group is currently working towards ISO50001. The group has now also attained the ISO45001 accreditation in Health and Safety and has implemented a Corporate, Social Responsibility program, where engagement with the local community is promoted.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

Blanc Aero Industries UK Limited (BAIUK) actively embraces all Lisi group standards for key business activities, including financial control, purchasing, health, safety and environmental, supply chain and continuous improvement. Achievement in these programs is identified via assessment to strict criteria and recognised via number of Group awards.

BAIUK is compliant with all reporting on modern slavery and gender equality.

Blanc Aero Industries UK Limited

Strategic report

For the year ended 31 December 2024 (continued)

Section 172(1) statement (continued)

Maintaining our licence to operate (continued)

S172(1) (F) "The need to act fairly as between members of the company"

The Directors take action which, after considering all relevant factors, will benefit the success of the business in the long term.

Actions taken by the Directors take into consideration the impact on stakeholders but are not required to balance the Company's interest with those of other stakeholders, and this can mean that sometimes certain stakeholder interests may not be fully aligned.

Principal decisions

No notifiable principal decisions were made during the reporting period.

Post balance sheet events

There are no post balance sheet events to report for the current year.

Energy and Carbon Reporting

Blanc Aero Industries UK Limited's carbon emissions, using a location-based approach to calculating emissions, were 1,774.7 tonnes CO₂e for 2024, this is 3.2% higher than in 2023.

These include the emissions associated with electricity, gas, stationary combustion of propane and travel in company vehicles. The intensity of 5.35 tonnes CO₂e per tonne of Production weights is 9% lower than last year.

Blanc Aero Industries UK Limited greenhouse gas emissions are broken down in the following sections.

Greenhouse Gas Emissions:

Emissions Source (tCO ₂ e)	2024	% of Total	2023	Year on Year
Fuel Combustion from the operation of owned and controlled facilities and equipment	81.2	4.6%	87.9	-7.2%
Purchased electricity	1,693.5	95.4%	1,632.0	3.8%
Total emissions (tCO₂e)	1,774.7	100%	1,719.9	3.2%
Production (tonne)	332		292	13.7%
Intensity: (tCO₂e per tonne)	5.35		5.88	-9.0%

2024

Emissions source	Scope 1	Scope 2	Scope 3	Total
Fuel Combustion from the operation of owned and controlled facilities and equipment	81	-	-	81
Purchased electricity	-	1,556	138	1,694
Total	81	1,556	138	1,775
Share of total	4.6%	87.6%	7.8%	100%

Blanc Aero Industries UK Limited

Strategic report For the year ended 31 December 2024 (continued)

Greenhouse Gas Emissions (continued):

2023

Emissions source	Scope 1	Scope 2	Scope 3	Total
Fuel Combustion from the operation of owned and controlled facilities and equipment	87	-	-	87
Purchased electricity	-	1,502	130	1,632
Total	87	1,502	130	1,719
Share of total	5.0%	87.4%	7.6%	100%

Energy Consumption

Annual quantity of energy consumed by Blanc Aero Industries UK Limited resulting from the purchase of electricity, combustion of gas and consumption of fuel for transport purposes.

Energy consumption (kWh)	2024	% of Total	2023	Year on Year
Fuel combustion: stationary (Natural Gas & LPG)	431,457	-	440,817	-2.1%
Fuel combustion: mobile (Transport Fuel)	13,128	-	33,309	-60.6%
Purchased electricity	7,514,775	-	7,280,242	3.6%
Total Consumption	7,959,360	-	7,754,368	-
Production (tonne)	332		292	13.7%
Intensity: (kWh per tonne production)	23,986		26,538	-9.3%

Methodology

The data contained in this document is calculated and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, March 2019, and the methodology outlines the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). Carbon Emission factors have been obtained from the UK Government's GHG Conversion Factors for Company Reporting 2024.

An 'operational control' methodology has been adopted to outline the scope of carbon emissions reporting for Blanc Aero Industries UK Limited. Operational control refers to the ability of an organisation to direct the activities of a facility or operation. In the context of greenhouse gas (GHG) reporting, a company is considered to have operational control over a facility, if it has the authority to introduce and implement operating policies at that facility, regardless of ownership. This means the organisation is responsible for the GHG emissions from the 'operations it controls'.

This report includes the material carbon emissions, in line with the emissions categories, as required to be reported under the SECR regulations.

Blanc Aero Industries UK Limited is not listed on a stock exchange such as the London Stock Exchange, so is classified as a Non-Quoted Large Company for the purpose of regulatory compliance.

Blanc Aero Industries UK Limited

Strategic report

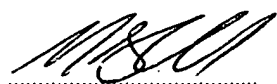
For the year ended 31 December 2024 (continued)

Energy Efficiency Initiatives

Blanc Aero Industries UK Limited always aims to operate at maximum energy efficiency in order to minimise our environmental impact and reduce our operating costs. Energy efficiency measures undertaken in the reporting year include:

- Smart production machines being installed and older machinery being phased out;
- Continued rationalisation of compressor usage

Approved by the Board on 01/09/2025 and signed on its behalf by:



M Capell
Director

Blanc Aero Industries UK Limited

Directors' report

For the year ended 31 December 2024

The directors present their annual report on the affairs of Blanc Aero Industries UK Limited ("the company"), together with the financial statements and auditor's report, for the year ended 31 December 2024.

Directors' of the company

The directors, who served throughout the year and up to the date of signing, were as follows:

C Dejean

E Viellard

M Capell

E Neildez

Principal activity

Details of the principal activity can be found in the Strategic report, page 2.

Results and dividends

Profit for the year amounted to £16,224k (2023: £11,643k). The directors did not recommend the payment of an interim dividend during the year (2023: £none). Dividend of £35m was declared and paid on 17 July 2023.

Going concern

The directors reviewed several factors when considering whether the financial statements should be prepared on a going concern basis. Details of the going concern can be found in the Strategic report, page 4.

Future developments

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on pages 2 to 8 and form part of this report by cross-reference.

Directors' qualifying third party indemnity provisions

The company has granted indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Employees

Details of the number of employees and related costs can be found in Note 11 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff being disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The company participates in the Lisi Group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Blanc Aero Industries UK Limited

Directors' report

For the year ended 31 December 2024 (continued)

Auditor

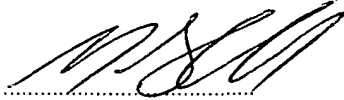
Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Ernst & Young LLP have expressed their willingness to continue in office as auditor's and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 01/09/2025 and signed on its behalf by:



M Capell
Director

Blanc Aero Industries UK Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Blanc Aero Industries UK Limited

Opinion

We have audited the financial statements of Blanc Aero Industries UK Limited for the year ended 31 December 2024 which comprise The Profit and Loss Account, The Statement of Comprehensive Income, The Balance Sheet, The Statement of Changes in Equity and the related Notes 1 to 28, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework", (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Blanc Aero Industries UK Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in 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 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 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 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

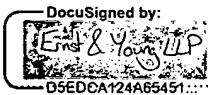
Independent auditor's report to the members of Blanc Aero Industries UK Limited (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the regions in which the company operates. In addition, the company has to comply with laws and regulations relating to its operations, including occupational health and safety, environmental, International Organisation for Standardisation (ISO) 14000 and General Data Protection Regulation (GDPR).
- We understood how Blanc Aero Industries UK Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We understood the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, in respect of management override, including as related to recognition of revenue and the processing of manual adjustments, we performed audit procedures to address the identified fraud risk. These procedures included testing manual journals to revenue and those journals for the purpose of large or unusual transactions. We have considered the nature of these transactions and for those that we did not consider to be in the normal course of the business and are not of a trivial value we obtained evidence to support the validity of the transactions. Our procedures were designed to provide reasonable assurance that the company financial statements were free from material misstatement.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management and performing focused testing by considering key phrases in identifying journals for further review. We verified that material transactions are recorded in compliance with FRS 101 and where appropriate Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

DocuSigned by:

D5EDCA124A65451

Adam Gittens (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

01 September 2025
Date:.....

Blanc Aero Industries UK Limited**Profit and loss****For the year ended 31 December 2024**

	Note	2024 £ 000	2023 £ 000
Turnover	5	65,289	52,161
Cost of sales		<u>(33,337)</u>	<u>(26,510)</u>
Gross profit		31,952	25,651
Distribution costs		(286)	(367)
Administrative expenses		(11,756)	(10,598)
Other operating income	6	<u>92</u>	<u>184</u>
Operating profit	7	20,002	14,870
Interest receivable and similar income	9	2,057	1,419
Interest payable and similar expenses	10	<u>(439)</u>	<u>(1,008)</u>
Profit before taxation		21,620	15,281
Tax on profit	13	<u>(5,396)</u>	<u>(3,638)</u>
Profit for the financial year attributable to owners of the company		<u><u>16,224</u></u>	<u><u>11,643</u></u>

The above results were derived from continuing operations.

The notes on pages 20 to 46 form an integral part of these financial statements.

Blanc Aero Industries UK Limited

**Statement of comprehensive income
For the year ended 31 December 2024**

	Note	2024 £ 000	2023 £ 000
Profit for the financial year		<u>16,224</u>	<u>11,643</u>
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain/(loss) on defined benefit pension scheme	23	1,491	(1,036)
Tax on actuarial (gain)/loss on defined benefit pension scheme	21	<u>(373)</u>	<u>259</u>
		<u>1,118</u>	<u>(777)</u>
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges:			
Fair value of (losses)/gains arising during the year	18	(1,520)	587
Deferred tax on gains arising during the year	21	<u>380</u>	<u>(147)</u>
		<u>(1,140)</u>	<u>440</u>
Total comprehensive income for the year attributable to the owners of the company		<u><u>16,202</u></u>	<u><u>11,306</u></u>

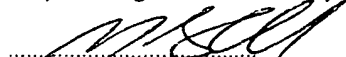
The notes on pages 20 to 46 form an integral part of these financial statements.

Blanc Aero Industries UK Limited**Balance sheet****As at 31 December 2024**

	Note	2024 £ 000	2023 £ 000
Fixed assets			
Tangible assets	14	9,029	6,735
Right-of-use assets	15	4,512	4,867
		<u>13,541</u>	<u>11,602</u>
Current assets			
Stocks	16	8,421	8,858
Debtors: amounts falling due within one year	17	40,911	23,372
Financial instruments	18	-	945
Cash at bank and in hand		22	85
		<u>49,354</u>	<u>33,260</u>
Creditors: amounts falling due within one year	19	<u>(10,067)</u>	<u>(7,188)</u>
Net current assets		<u>39,287</u>	<u>26,072</u>
Total assets less current liabilities		<u>52,828</u>	<u>37,674</u>
Provisions for liabilities	20	(8)	(18)
Deferred tax liabilities	21	(928)	(376)
Lease liabilities	22	(4,223)	(4,508)
Net pension deficit	23	<u>(378)</u>	<u>(1,683)</u>
Net assets		<u>47,291</u>	<u>31,089</u>
Capital and reserves			
Called-up share capital	26	100	100
Share premium account	26	209	209
Cash flow hedge reserve	26	(413)	727
Profit and loss account	26	<u>47,395</u>	<u>30,053</u>
Total shareholders' funds		<u>47,291</u>	<u>31,089</u>

The financial statements of Blanc Aero Industries UK Limited (registration number: 01454059) were approved by the Board of directors and authorised for issue on 01/09/2025

They were signed on its behalf by:



M Capell

Director

The notes on pages 20 to 46 form an integral part of these financial statements.

Blanc Aero Industries UK Limited

**Statement of changes in equity
For the year ended 31 December 2024**

	Called-up share capital £ 000	Share premium account £ 000	Cash flow hedge reserve £ 000	Profit and loss account £ 000	Total £ 000
Balance at 1 January 2023	100	209	287	54,187	54,783
Profit for the financial year	-	-	-	11,643	11,643
Other comprehensive income/(loss)	-	-	440	(777)	(337)
Total comprehensive income for the year	-	-	440	10,866	11,306
Dividends paid	-	-	-	(35,000)	(35,000)
Balance at 31 December 2023	100	209	727	30,053	31,089
	Called-up share capital £ 000	Share premium account £ 000	Cash flow hedge reserve £ 000	Profit and loss account £ 000	Total £ 000
Balance at 1 January 2024	100	209	727	30,053	31,089
Profit for the financial year	-	-	-	16,224	16,224
Other comprehensive (loss)/income	-	-	(1,140)	1,118	(22)
Total comprehensive (loss)/income for the year	-	-	(1,140)	17,342	16,202
Balance at 31 December 2024	100	209	(413)	47,395	47,291

The notes on pages 20 to 46 form an integral part of these financial statements.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024

1 General information

Blanc Aero Industries UK Limited (the 'company') is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:
38 Butlers Leap
Rugby
Warwickshire
CV21 3RQ

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates. Amounts have been recorded to the nearest thousand pounds unless otherwise stated.

The nature of the company's operations and principal activities are set out in the Strategic report on page 2.

2 Adoption of new and revised Standards

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. These standards are listed below:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases-Lease Liability in a Sale and Leaseback

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IAS 21 Lack of Exchangeability
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies

Summary of material accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared on a going concern basis in accordance with Financial Reporting Standards issued by the Financial Reporting Council, and applicable legal and regulatory requirements of the Companies Act 2006.

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the company has adopted FRS 101.

The company has taken advantage of the following disclosure exemptions available under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS Property, Plant and Equipment;
- (b) the requirements of IAS 7 Statement of Cash Flows;
- (c) the requirements of paragraph 17 of IAS 24 Related Party Disclosure;
- (d) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined); and
- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- (f) the requirements to disclose information relating to new IFRS standards which have been issued but which are not yet effective, including an assessment of the possible impact that it will have when it is adopted for the first time.
- (g) certain disclosures in relation to Pillar Two income taxes.

Where relevant, equivalent disclosures have been given in the group accounts of Compagnie Industrielle de Delle S.A., available to the public and may be obtained from 28 Faubourg De Belfort, Delle, 90100, France.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Basis of accounting (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The directors reviewed several factors when considering whether the financial statements should be prepared on a going concern basis:

- The company's business activities, together with management's current view of circumstances likely to affect its future development, performance and financial position.
- The financial position of the company, its principal risks and uncertainties, its cash flows and net cash position and policies for managing financial risk.
- Parent company support.
- Recent detailed financial forecasts and analysis.

Financial impact assessment

The company has a strong balance sheet with £TBCm of cash reserves. The cash reserves are held within a cash pooling arrangement at a group level. After considering this and the factors above, the directors have obtained a Letter of Support from the parent company, Compagnie Industrielle de Delle S.A. covering a period of 12 months from the date of these financial statements.

Blanc Aero Industries operates as part of an international group of companies which are known globally as Lisi Group. Lisi Group is split into 3 divisions, and Blanc Aero Industries is part of the Aerospace Division, of which the parent company is Lisi Aerospace SA. The ultimate parent company for Lisi Group Companies is Compagnie Industrielle de Delle SA.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Going concern - Lisi Group

The UK directors have made enquiries of the directors of the parent company about the parent company's ability to provide support and reviewed the group forecasts and a stress tested cash model which shows ability to support even in a severe downside scenario.

The latest forecast scenarios simulated under current conditions show that, given the robust nature of its balance sheet, the Group has no business continuity risk. Lisi Group reported €1.79bn sales in 2024 with EBIT of €115m.

Based on the above, the directors have a reasonable expectation that the company has adequate resources to operate for a period of 12 months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Revenue recognition

Revenue distributes across United Kingdom, Europe and rest of the world, which is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

Revenue from the sale of goods is recognised when the control of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the group and the amount can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets net carrying amount on initial recognition.

Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Government grants (continued)

Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are presented as a credit in the statement of comprehensive income within 'other operating income'.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Fair value is determined in the manner described in Note 18. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Taxation

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Blanc Aero Industries UK Limited

**Notes to the financial statements
For the year ended 31 December 2024 (continued)**

3 Material accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation rate and method
Plant and machinery	10-15 years straight line method
Furniture, fittings and equipment	3-5 years straight line method

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Leases

The company as a Lessee

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as mobile phones and photocopiers). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Leases (continued)

Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Tangible fixed assets' policy.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are amounts due from customers for product sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting 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.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Defined benefit pension scheme

The company operates a defined benefit pension scheme for employees, which requires contributions to be made to a separately administered fund. The assets of the scheme are held separately from those of the company. The scheme was closed to new members after 1 January 2006 and closed to future accrual from 31 March 2007, from which time membership of a defined contribution plan has been available.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice.

Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss recognised in the profit and loss account during the period which the settlement or curtailment occurs. The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on the discount rate for liabilities as dictated by IAS 19R. The difference between the expected return on plan assets and the interest cost is recognised in the profit and loss account as other finance income or expense.

The defined benefit pension asset or liability in the balance sheet comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is restricted to the sum of any unrecognised past service costs and the present value of any amount the company expects to recover by way of refunds from the plan or reductions in the future contributions.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Defined benefit pension scheme (continued)

At the year end, the company reviews plan assets and obligations. The effects of any change in actuarial assumptions together with the differences between forecasted and actual experience are assessed. Re-measurements are recognised in full in other comprehensive income in the period in which they occur.

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item (Note 9).

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Financial assets (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on trade debtors and amounts receivable from group undertakings. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime ECL for trade debtors.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort on a similar income line item. Forward-looking information considered includes the future prospects of the industries in which the company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

(ii) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

3 Material accounting policies (continued)

Financial assets (continued)

(ii) Measurement and recognition of expected credit losses (continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) held-for-trading, or (ii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Discount rate used to determine the carrying amount of the company's defined benefit obligation

The determination of the company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the company's financial statements within the next year. Further information on the carrying amounts of the company's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in Note 23.

Inventory provision

Inventory provision depends on certain assumptions which include future saleability of finished goods. A review is undertaken which takes into account historical sales, current contract and market activity.

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****5 Turnover**

The company has one primary business segment, the manufacture of aerospace fastening systems.

All of the company's assets and liabilities are located in the UK. The company's geographical segments are based on the location of the company's customers.

31 December 2024

	UK £ 000	Europe £ 000	Rest of the World £ 000	Total £ 000
Sales to external customers	1,874	-	4,208	6,082
Sales to group companies	-	59,143	64	59,207
	<u>1,874</u>	<u>59,143</u>	<u>4,272</u>	<u>65,289</u>

31 December 2023

	UK £ 000	Europe £ 000	Rest of the World £ 000	Total £ 000
Sales to external customers	1,298	-	3,807	5,105
Sales to group companies	-	46,908	148	47,056
	<u>1,298</u>	<u>46,908</u>	<u>3,955</u>	<u>52,161</u>

6 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2024 £ 000	2023 £ 000
Government grants	<u>92</u>	<u>184</u>

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****7 Operating profit**

Operating profit for the year has been arrived at after charging:

	2024 £ 000	2023 £ 000
Depreciation of Tangible fixed assets	801	916
Depreciation of Right-of-use assets	407	395
Loss on disposal of Tangible fixed assets	16	2
Staff costs (Note 11)	17,049	14,482
Cost of stock recognised as an expense (included in cost of sales)	17,025	14,515
Operating lease expense	<u>566</u>	<u>490</u>

8 Auditor's remuneration

	2024 £ 000	2023 £ 000
Auditor's remuneration - audit of these financial statements	46	43
Auditor's remuneration - taxation advisory services	-	16
	<u>46</u>	<u>59</u>

9 Interest receivable and similar income

	2024 £ 000	2023 £ 000
Interest receivable on intercompany cash pool	1,147	1,419
Foreign exchange gains	910	-
	<u>2,057</u>	<u>1,419</u>

10 Interest payable and similar expenses

	2024 £ 000	2023 £ 000
Foreign exchange losses	-	782
Interest on lease liabilities	253	197
Other finance costs - pension costs	186	29
	<u>439</u>	<u>1,008</u>

Blanc Aero Industries UK Limited**Notes to the financial statements****For the year ended 31 December 2024 (continued)****11 Staff costs and numbers**

The aggregate remuneration comprised:

	2024	2023
	£ 000	£ 000
Wages and salaries	14,928	12,675
Social security costs	1,523	1,283
Pension costs, defined contribution scheme	598	524
	<u>17,049</u>	<u>14,482</u>

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

	2024	2023
	No.	No.
Productive labour	239	218
Non-productive labour	66	57
Administration and clerical and selling	18	18
	<u>323</u>	<u>293</u>

12 Directors' remuneration

Directors' emoluments:

	2024	2023
	£ 000	£ 000
Emoluments	135	120
Contributions to defined contribution pension schemes	<u>5</u>	<u>4</u>

Number of directors in pension schemes:

	2024	2023
	No.	No.
Defined contribution schemes	<u>1</u>	<u>1</u>

During the year only one director received any remuneration and benefits from the company and the above amounts relate solely to that director.

Certain directors are directors of other group companies and did not receive any remuneration from the company in respect of their services as directors of Blanc Aero Industries UK Limited.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

13 Tax on profit

Tax charged for the year in the profit and loss account:

	2024 £ 000	2023 £ 000
Current taxation		
UK corporation tax	4,832	3,325
Adjustments to tax charge in respect of previous periods	5	39
	<u>4,837</u>	<u>3,364</u>
Deferred taxation		
Current year	578	299
Adjustment in respect of previous periods	(19)	(25)
Total deferred taxation	<u>559</u>	<u>274</u>
Tax expense in the profit and loss account	<u>5,396</u>	<u>3,638</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023: higher than the standard rate of corporation tax in the UK) of 25% (2023: blended rate of 23.52%).

The charge for the year can be reconciled to the profit before tax as follows:

	2024 £ 000	2023 £ 000
Profit before taxation	<u>21,620</u>	<u>15,281</u>
Corporation tax at standard rate in the UK of 25% (2023: 23.52%)	5,405	3,594
Effects of:		
Adjustment in respect of previous periods	(14)	14
Tax effect of expenses that are not deductible in determining taxable profit	5	(1)
Income not taxable	-	(1)
Impact of rate changes on deferred tax	-	17
Timing difference	-	15
Total tax charge	<u>5,396</u>	<u>3,638</u>

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****14 Tangible assets**

	Plant and machinery £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost			
At 1 January 2024	25,753	975	26,728
Additions	3,123	-	3,123
Disposals	(1,018)	(142)	(1,160)
At 31 December 2024	<u>27,858</u>	<u>833</u>	<u>28,691</u>
Depreciation			
At 1 January 2024	19,019	974	19,993
Charge for the year	801	-	801
Eliminated on disposal	(991)	(141)	(1,132)
At 31 December 2024	<u>18,829</u>	<u>833</u>	<u>19,662</u>
Carrying amount			
At 31 December 2024	<u>9,029</u>	<u>-</u>	<u>9,029</u>
At 31 December 2023	<u>6,734</u>	<u>1</u>	<u>6,735</u>

Included within the £9,029k carrying amount above, £3,152k (2023: £1,415k) relates to capital work in progress.

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****15 Right-of-use assets**

	Buildings £ 000	Cars £ 000	Total £ 000
Cost			
At 1 January 2024	6,781	70	6,851
Additions and modifications	-	57	57
Disposals	-	(56)	(56)
At 31 December 2024	<u>6,781</u>	<u>71</u>	<u>6,852</u>
Accumulated depreciation			
At 1 January 2024	1,932	52	1,984
Charge for the year	388	19	407
Eliminated on disposal	-	(51)	(51)
At 31 December 2024	<u>2,320</u>	<u>20</u>	<u>2,340</u>
Carrying amount			
At 31 December 2024	<u>4,461</u>	<u>51</u>	<u>4,512</u>
At 31 December 2023	<u>4,849</u>	<u>18</u>	<u>4,867</u>
		2024	2023
		£	£
Amounts recognised in profit and loss account			
Depreciation expense on right-of-use-assets		407	395
Interest expense on lease liabilities		253	197
Adjustment relating to short-term leases		(545)	(490)
Adjustment relating to leases of low value assets		(21)	(26)
		<u>94</u>	<u>76</u>

16 Stocks

	2024 £ 000	2023 £ 000
Raw materials and consumables	1,083	1,250
Work in progress	3,054	2,758
Finished goods and goods for resale	<u>4,284</u>	<u>4,850</u>
	<u>8,421</u>	<u>8,858</u>

The above values represent cost less a reduction to net realisable value based on turnover and completion times. The amount of net write-down of inventories recognised as a charge to the income statement is £23k (2023: £1,249k).

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****17 Debtors: amounts falling due within one year**

	2024	2023
	£ 000	£ 000
Trade debtors	727	482
Amounts owed by group undertakings	38,367	22,034
Other debtors	1,670	424
Prepayments and accrued income	147	95
Income tax asset	-	337
	<u>40,911</u>	<u>23,372</u>

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

Amounts owed by group undertakings relate to a cash pooling arrangement with Lisi Group.

18 Financial instruments

	2024	2023
	£ 000	£ 000
Financial assets		
Forward currency hedging contracts	<u>-</u>	<u>945</u>
	2024	2023
	£ 000	£ 000
Financial liabilities		
Forward currency hedging contracts	<u>(575)</u>	<u>-</u>

The company utilises foreign exchange collars which provide a fixed exchange rate in the event that spot rates fall below, or move above, predetermined levels. These forward currency hedging contracts are designated as hedges in respect of future sales in euros to fellow group companies. These cash flow hedges against expected future sales in 2024 were assessed to be highly effective and as at 31 December 2024, a net unrealised loss of £1,520k (2023: gain of £587k), with a related deferred tax credit of £380k (2023: charge of £147k), was included in other comprehensive income in respect of these hedging contracts. At 31 December 2024, the fair value of these hedging instruments was £575k liability (2023: £945k asset).

All of the valuation techniques used to derive the fair values of the forward currency hedging contracts are considered to fall under a "level 2" designation as defined in IFRS 13 in that all the inputs that have a significant effect on the valuation are observable, either indirectly or directly.

Blanc Aero Industries UK Limited

Notes to the financial statements

For the year ended 31 December 2024 (continued)

19 Creditors: amounts falling due within one year

	2024	2023
	£ 000	£ 000
Trade creditors	2,084	1,317
Accruals and deferred income	2,788	2,210
Amounts owed to group undertakings	675	1,324
Social security and other taxes	1,035	1,725
Other creditors	109	67
Income tax liability	2,221	-
Loans and borrowings	9	-
Lease liabilities	571	545
Financial instruments (see Note 18)	575	-
	<u>10,067</u>	<u>7,188</u>

Amounts owed to group undertakings are unsecured, repayable on demand and do not bear interest.

Trade creditors are non-interest bearing and are normally on 45 days net terms. Other payables are non-interest bearing and are normally settled on 30 days terms.

20 Provisions for liabilities

	Onerous contract provision
	£000
At 1 January 2024	18
Provided in the year	-
Utilised in the year	<u>(10)</u>
At 31 December 2024	<u>8</u>
Analysed as:	
Current	<u><u>8</u></u>

Onerous contract provision

Group margin adjustment which reflect transactions with a related party relating to items being sold within the group and a provision being recognised until these items are sold to an external customer, anticipating utilisation of this provision within the next 12 months.

Blanc Aero Industries UK Limited**Notes to the financial statements
For the year ended 31 December 2024 (continued)****21 Deferred tax**

Deferred tax is calculated on temporary differences under the liability method using a tax rate of 25% (2023: 25%) which represents the future corporation tax rate that was enacted at the balance sheet date. The movement on deferred tax account is shown below:

	2024 £ 000	2023 £ 000
At 1 January	376	214
Charge to profit or loss	559	274
Credit to comprehensive income	(7)	(112)
At 31 December	<u>928</u>	<u>376</u>

The deferred tax included in the balance sheet is as follows:

	2024 £ 000	2023 £ 000
Deferred tax liability		
Fixed assets	1,251	595
Temporary differences trading	(85)	(34)
Temporary differences non trading	(144)	237
Pensions	1	48
Pension OCI	(95)	(468)
	<u>928</u>	<u>378</u>

22 Lease liabilities**Maturity analysis**

	2024 £ 000	2023 £ 000
Maturity analysis:		
Year 1	571	545
Year 2	563	545
Year 3	550	545
Year 4	548	545
Year 5	547	545
Onwards	<u>3,588</u>	<u>4,087</u>
	6,367	6,812
Less: unearned interest	<u>(1,573)</u>	<u>(1,759)</u>
	<u>4,794</u>	<u>5,053</u>

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

22 Lease liabilities (continued)

Analysed as:

Non-current	4,223	4,508
Current	571	545
	<u>4,794</u>	<u>5,053</u>

The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by management and the parent, LISI SA.

Movement in lease liability during the year

	2024 £ 000	2023 £ 000
Liability recognised at 1 January	5,053	3,300
Additions and Modifications	-	2,071
Interest accreditation	253	197
Lease payments	<u>(512)</u>	<u>(515)</u>
Balance as at 31 December	<u>4,794</u>	<u>5,053</u>

23 Pensions and other post-retirement benefits

The company operates a defined benefit scheme in the UK. The scheme is approved by the Inland Revenue under Chapter 1 Part XIV of ICTA 1988. The assets of the scheme are held separately from the assets of the company. The scheme was closed to new members after 1 January 2006 and closed to future accrual from 31 March 2007, from which time membership of a defined contribution plan has been available.

Pension contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. A full actuarial valuation was carried out at 31 March 2006 and updated at 31 March 2024 by independent qualified actuaries. The scheme assets are stated at their market value at 31 December 2024.

The principal actuarial assumptions were as follows:

	2024 %	2023 %
Rate of inflation of pensions in payment (RPI)	3.26%	3.14%
Discount rate	5.35%	4.33%
Inflation assumption	3.26%	3.14%

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/(decrease) by 0.1%	Decrease/(increase) by 1.2%
Inflation assumption	Increase/(decrease) by 0.1%	Increase/(decrease) by 0.6%

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

23 Pensions and other post-retirement benefits (continued)

The demographic assumptions used include rates for mortality which for example, generally lead to an average projected life expectancy of 85 years for male members currently aged 65 and of 88 years for female members currently aged 65.

The amounts recognised in the profit or loss account are as follows:

	2024	2023
	£ 000	£ 000
Expected return on pension scheme assets	(616)	(697)
Interest cost on pension scheme liabilities	691	726
Expenses paid and insurance premiums	111	-
Other finance cost	<u>186</u>	<u>29</u>

The amounts recognised in the statement of comprehensive income are as follows:

	2024	2023
	£ 000	£ 000
Actuarial gain/(loss) on defined benefit obligations	2,905	(818)
Actuarial (loss)/gain on defined benefit assets	(1,414)	(218)
Gain/(loss) recognised in other comprehensive income	<u>1,491</u>	<u>(1,036)</u>

The assets and liabilities in the scheme were:

	2024	2023
	£ 000	£ 000
Equities	1,674	1,494
Property	367	410
Credit	870	893
Bonds	713	892
Gilts	1,169	1,477
LDI	7,443	8,974
Cash	451	85
Other	<u>370</u>	<u>384</u>
Fair value of scheme assets	13,057	14,609
Present value of funded obligation	(13,435)	(16,292)
Net pension liability	<u>(378)</u>	<u>(1,683)</u>

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

23 Pensions and other post-retirement benefits (continued)

Changes in the present value of defined benefit obligation are as follows:

	2024	2023
	£ 000	£ 000
Present value of obligations at the beginning of the year	16,292	15,453
Interest cost	691	726
Benefit payments	(643)	(705)
Actuarial (gain)/loss	(2,905)	818
Present value of obligations at the end of the year	<u>13,435</u>	<u>16,292</u>

Changes in the fair value of scheme assets are as follows:

	2024	2023
	£ 000	£ 000
Fair value of scheme assets at the beginning of the year	14,609	14,835
Benefit payments	(643)	(705)
Expected returns on scheme assets	616	697
Expenses paid and Insurance premiums	(111)	-
Actuarial loss	(1,414)	(218)
Fair value of scheme assets at the end of the year	<u>13,057</u>	<u>14,609</u>

The actual return on scheme assets was a loss of £798k (2023: gain of £479k).

Amounts for the current and previous period are as follows:

	2024	2023
	£ 000	£ 000
Present value of defined benefit obligation	(13,435)	(16,292)
Fair value of plan assets	<u>13,057</u>	<u>14,609</u>
Net pension liability	<u>(378)</u>	<u>(1,683)</u>

Defined contribution scheme

The contribution to the defined contribution scheme during the year was £598k (2023: £524k).

Guaranteed minimum pensions

The Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC (and others) court judgment on 26 October 2018 provided some clarity in respect of GMP equalisation and, in particular, the obligations that this places on schemes.

Blanc Aero Industries UK Limited

**Notes to the financial statements
For the year ended 31 December 2024 (continued)**

23 Pensions and other post-retirement benefits (continued)

The trustees of the plan, along with the employer, are considering (amongst other things) the appropriate Guaranteed Minimum Pension (GMP) equalisation solution, whether there should be a time limit on the obligation to make back-payments to members (the "look-back" period) and the treatment of former members (members who have died without a spouse and members who have transferred out for example).

The Company and Trustees are aware of the 2023 Virgin Media v NTL Pension Trustees case, and the subsequent 2024 appeal which was dismissed. To date, the Trustee and Company have identified 10 deeds in relation to the Scheme signed between 1997 and 2016 (the period s37 was applicable); with one s37 certificate readily available. The content of each remaining deed has yet to be reviewed to ascertain whether s37 certification was necessary. The Trustee and Company are aware of the June 2025 announcement from the DWP on this issue stating that schemes will be given the ability to seek retrospective certification if required. Until further details are available and additional advice, if required, is sought, the Company is unable to assess the potential liability (if any).

The past service cost has been estimated to include the impact of GMP equalisation, based on the Scheme's benefit design and member profile. The estimated cost of GMP equalisation is approximately 2.75% of the value of the liabilities at the valuation date, using the IAS19 basis of assessment.

24 Capital commitments

Detail of capital commitments at 31 December are as follow:

	2024	2023
	£ 000	£ 000
Contracted for but not provided in the financial statements		
Property, plant and equipment	<u>2,075</u>	<u>2,299</u>

25 Contingent liabilities

The company has given a duty and VAT deferment guarantee of £380k (2023: £380k) to HM Revenue and Customs, of which £40k is secured.

26 Called-up share capital

Authorised, allotted, called-up and fully paid shares

	2024 No. 000	2024 £ 000	2023 No. 000	2023 £ 000
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The company has one class of ordinary shares which carry no right to fixed income.

Blanc Aero Industries UK Limited

Notes to the financial statements For the year ended 31 December 2024 (continued)

26 Called-up share capital (continued)

The company's other reserves are as follows:

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Cash flow hedge reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the statement of profit and loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

Profit and loss account

The profit and loss account represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

27 Controlling party

The parent and controlling company is Hi-Shear Holdings Limited, a company incorporated in the UK. Its registered office is 38 Butlers Leap, Rugby, Warwickshire, CV21 3RQ.

The ultimate holding company is Compagnie Industrielle de Delle S.A., a company incorporated in France. This is the smallest and largest group in which the results of the company are consolidated. A copy of the consolidated financial statements may be obtained from 28 Faubourg De Belfort, Delle, 90100, France.

28 Post balance sheet events

There are no balance sheet events to report for the current year.

29 Related party disclosures

During the financial year, two individuals who are the children of a member of the Board of Directors were employed by the Company. They occupied non-managerial roles and did not report directly to the Director in question. Their remuneration was commensurate with standard industry rates applicable to their respective positions.