

Company Registration No. 04565472 (England and Wales)

**BUOYANCY AEROSPACE V1 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2023**

**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**New Century House**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**

# BUOYANCY AEROSPACE V1 LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Dr M Apel	(Appointed 20 December 2022)
<b>Company number</b>	04565472	
<b>Registered office</b>	Jackdaw Road Barnoldswick Lancashire BB18 6DX	
<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	

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# **BUOYANCY AEROSPACE V1 LIMITED**

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# **BUOYANCY AEROSPACE V1 LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 OCTOBER 2023**

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The director presents the strategic report for the year ended 31 October 2023.

#### **Review of the business**

During the year the company's sales decreased to £4,263,671 (2022 - £5,336,464) returning a gross loss of £193,674 (2022 - Profit £1,439,320). The company reported a pre-tax loss of £876,838 (2022 - Profit £746,258).

The company's financial position remains strong however, with net assets of £1,883,082.

The decrease in sales, gross profit margin, and the pre-tax loss are attributable to transaction-related costs and the radical transformation process within the company. This transformation, proactively anticipating the needs of aerospace, space and defence market leaders, is laying the foundation for future growth to serve the increasing demand. The company has strategically replaced its leadership team, bringing in exceptional talent to support its vision of continuing to partner with the most advanced market leaders for the long term.

The company will continue to support the world's leading aerospace, space, and defence institutions in a rapidly changing landscape. With a proven track record in quality, on-time delivery, and cost efficiency, the company is prepared to increase its support for a sustainable freedom and safety in the face of new global challenges.

#### **Principal risks and uncertainties**

The company finances its operations through a mixture of retained profits, bank and other borrowings, and where necessary to fund capital expenditure programmes through hire purchase financing agreements. The management objectives are to:

- retain sufficient funds to enable it to meet its day to day obligations as the fall due, and
- match the repayment schedule of any external finance with the expected future cash flows expected to arise from the company's trading activities.

The company is exposed to price risk in connection with certain sales being denominated in foreign currencies. This exposes the company to the uncertainty of exchange rate movements. The company considers the amounts involved to be insignificant.

The company's credit risk is primarily attributable to its trade debtors. The company mitigates the risk by implementing a robust credit control policy.

#### **Key performance indicators**

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

#### **Other information and explanations**

##### **Technological advancements**

The company leads in technological innovation, implementing generative AI tools, advanced automation, and comprehensive digitisation. These advancements streamline operations and boost productivity, maintaining a competitive edge.

##### **Talent acquisition**

Top-tier talent is attracted to the company by the core values of purpose, excellence, innovation, and team culture. Applications are filtered through a stringent multi-step application process, including multiple interviews and a complex written problem-solving test.

##### **Operational efficiency**

Through rigorous evaluation and process refinement, the company achieves peak operational performance, adhering to the highest industry standards and delivering exceptional value.

# **BUOYANCY AEROSPACE V1 LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2023**

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### **Quality and delivery**

The company consistently delivers impeccable quality and on-time delivery for the world's leading aerospace, space, and defence programmes, reinforcing its reputation as a reliable partner.

### **Financial strength**

Backed by capital injections from its holding, the company invests significantly in infrastructure and technological capabilities, supporting growth and facilitating high-level engagements.

### **Comprehensive capabilities**

With in-house capabilities in product design, advanced manufacturing, precision milling and turning, anodising, painting, CMM inspection, assembly, and final review, the company ensures complete control over quality and delivery timelines.

### **Supply chain resilience**

The company has displayed resilience towards current market disruptions in the supply chain. The company's robust in-house capabilities and strategic planning ensure continuous, reliable operations and deliveries.

### **Expanding network**

Strategic partnerships with leading universities, think tanks, and industry leaders enhance the innovation ecosystem and keep the company at the cutting edge of technological advancements and the scientific and political discussion.

### **Growth strategy & outlook**

The company pursues growth through innovation and strategic acquisitions, supported by its holding. This approach positions the company ahead of market followers. Strategic investments and efficiency gains have increased operational capacity, allowing the company to engage with selected institutions and programmes.

On behalf of the board

Dr M Apel  
**Director**

1 July 2024

# BUOYANCY AEROSPACE V1 LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2023

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The director presents his annual report and financial statements for the year ended 31 October 2023.

#### Principal activities

The principal activity of the company continued to be that of aerospace engineers.

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £2,636,936. The director does not recommend payment of a final dividend.

#### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Dr M Apel	(Appointed 20 December 2022)
Mrs JL Hartley	(Resigned 20 December 2022)
Mr AP Meldrum	(Resigned 20 December 2022)
Mrs C Meldrum	(Resigned 20 December 2022)
Mrs AJ Fenwick	(Resigned 20 December 2022)

#### Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **BUOYANCY AEROSPACE V1 LIMITED**

## **DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 OCTOBER 2023**

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### **Medium-sized companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Dr M Apel  
**Director**

1 July 2024

# **BUOYANCY AEROSPACE V1 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BUOYANCY AEROSPACE V1 LIMITED**

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#### **Opinion**

We have audited the financial statements of Buoyancy Aerospace V1 Limited (the 'company') for the year ended 31 October 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its loss 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# **BUOYANCY AEROSPACE V1 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BUOYANCY AEROSPACE V1 LIMITED (CONTINUED)**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# **BUOYANCY AEROSPACE V1 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BUOYANCY AEROSPACE V1 LIMITED (CONTINUED)**

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#### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team and relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

#### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

# **BUOYANCY AEROSPACE V1 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BUOYANCY AEROSPACE V1 LIMITED (CONTINUED)**

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A further description of our responsibilities is available 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.

**Christopher Johnson FCA**  
**Senior Statutory Auditor**  
**For and on behalf of PM+M Solutions for Business LLP**

1 July 2024

**Chartered Accountants**  
**Statutory Auditor**

New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

## BUOYANCY AEROSPACE V1 LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	<b>4,263,671</b>	5,336,464
Cost of sales		<b>(4,457,345)</b>	(3,897,144)
<b>Gross (loss)/profit</b>		<b>(193,674)</b>	1,439,320
Administrative expenses		<b>(682,867)</b>	(695,216)
Other operating income		<b>4,125</b>	4,500
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(872,416)</b>	748,604
Interest receivable and similar income	<b>7</b>	<b>30</b>	2,456
Interest payable and similar expenses	<b>8</b>	<b>(4,452)</b>	(4,802)
<b>(Loss)/profit before taxation</b>		<b>(876,838)</b>	746,258
Tax on (loss)/profit	<b>9</b>	<b>176,368</b>	(138,377)
<b>(Loss)/profit for the financial year</b>		<b>(700,470)</b>	607,881

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

# BUOYANCY AEROSPACE V1 LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		33,696		46,059
Tangible assets	12		993,593		1,532,207
			<u>1,027,289</u>		<u>1,578,266</u>
<b>Current assets</b>					
Stocks	13	44,864		30,135	
Debtors	14	2,017,396		1,770,617	
Cash at bank and in hand		85,639		3,138,977	
		<u>2,147,899</u>		<u>4,939,729</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(958,859)</u>		<u>(776,543)</u>	
<b>Net current assets</b>			<u>1,189,040</u>		<u>4,163,186</u>
<b>Total assets less current liabilities</b>			<u>2,216,329</u>		<u>5,741,452</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(91,201)		(217,926)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>242,046</u>		<u>303,038</u>	
			<u>(242,046)</u>		<u>(303,038)</u>
<b>Net assets</b>			<u>1,883,082</u>		<u>5,220,488</u>
<b>Capital and reserves</b>					
Called up share capital	21		100,000		100,000
Profit and loss reserves			<u>1,783,082</u>		<u>5,120,488</u>
<b>Total equity</b>			<u>1,883,082</u>		<u>5,220,488</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 1 July 2024 and are signed on its behalf by:

Dr M Apel  
Director

Company registration number 04565472 (England and Wales)

## BUOYANCY AEROSPACE V1 LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 November 2021</b>		100,000	5,190,825	5,290,825
<b>Year ended 31 October 2022:</b>				
Profit and total comprehensive income		-	607,881	607,881
Dividends	10	-	(678,218)	(678,218)
<b>Balance at 31 October 2022</b>		100,000	5,120,488	5,220,488
<b>Year ended 31 October 2023:</b>				
Loss and total comprehensive income		-	(700,470)	(700,470)
Dividends	10	-	(2,636,936)	(2,636,936)
<b>Balance at 31 October 2023</b>		<u>100,000</u>	<u>1,783,082</u>	<u>1,883,082</u>

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

##### Company information

Buoyancy Aerospace V1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jackdaw Road, Barnoldswick, Lancashire, BB18 6DX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Wings Holdco Limited. These consolidated financial statements are available from its registered office, 3rd floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to hours worked, as a proportion of total hours. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies (Continued)

##### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

##### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
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##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% straight line
Plant and equipment	10-20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies (Continued)

##### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.10 Financial instruments

###### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

###### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

###### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

###### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

###### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **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 reporting end date.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

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#### 1 Accounting policies

(Continued)

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

### 1 Accounting policies (Continued)

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Revenue from contracts for the provision of services

The company makes estimates in respect of the stage of completion and recovery rates in estimating revenue recognised in respect of the provision of services.

### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Aerospace engineering - provision of services	4,062,625	4,999,864
Surface treatments	201,046	336,600
	<u>4,263,671</u>	<u>5,336,464</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
UK	3,724,718	4,829,667
Canada	411,126	381,488
Australia	127,827	125,098
Europe	-	211
	<u>4,263,671</u>	<u>5,336,464</u>

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Other revenue</b>		
	Interest income	30	2,456
	Grants received	4,125	4,500
		<u>          </u>	<u>          </u>

<b>4</b>	<b>Operating (loss)/profit</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Exchange losses/(gains)	15,787	(13,987)
	Government grants	(4,125)	(4,500)
	Fees payable to the company's auditor for the audit of the company's financial statements	17,750	13,000
	Depreciation of owned tangible fixed assets	352,663	377,867
	Depreciation of tangible fixed assets held under finance leases	24,200	48,280
	Profit on disposal of tangible fixed assets	(250,237)	-
	Amortisation of intangible assets	12,363	94,631
	Operating lease charges	169,536	216,227
		<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Directors	1	4
Production	41	44
Administration	1	4
	<u>          </u>	<u>          </u>
Total	43	52
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,963,703	1,635,499
Social security costs	193,850	259,368
Pension costs	47,235	53,818
	<u>          </u>	<u>          </u>
	2,204,788	1,948,685
	<u>          </u>	<u>          </u>

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

6	Director's remuneration	2023	2022
		£	£
	Remuneration for qualifying services	126,655	177,677
	Company pension contributions to defined contribution schemes	4,267	3,596
		<u>130,922</u>	<u>181,273</u>
		<u><u>130,922</u></u>	<u><u>181,273</u></u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 3).		
7	Interest receivable and similar income	2023	2022
		£	£
	<b>Interest income</b>		
	Other interest income	30	2,456
		<u>30</u>	<u>2,456</u>
		<u><u>30</u></u>	<u><u>2,456</u></u>
8	Interest payable and similar expenses	2023	2022
		£	£
	Interest on finance leases and hire purchase contracts	4,452	4,802
		<u>4,452</u>	<u>4,802</u>
		<u><u>4,452</u></u>	<u><u>4,802</u></u>
9	Taxation	2023	2022
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	-	223,116
	Adjustments in respect of prior periods	(115,376)	-
	Total current tax	<u>(115,376)</u>	<u>223,116</u>
		<u><u>(115,376)</u></u>	<u><u>223,116</u></u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(60,992)	(84,739)
		<u>(60,992)</u>	<u>(84,739)</u>
		<u><u>(60,992)</u></u>	<u><u>(84,739)</u></u>
	Total tax (credit)/charge	<u>(176,368)</u>	<u>138,377</u>
		<u><u>(176,368)</u></u>	<u><u>138,377</u></u>

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

#### 9 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
(Loss)/profit before taxation	<u>(876,838)</u>	<u>746,258</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 22.52% (2022: 19.00%)	(197,464)	141,789
Tax effect of expenses that are not deductible in determining taxable profit	4,536	2,468
Permanent capital allowances in excess of depreciation	898	-
Depreciation on assets not qualifying for tax allowances	-	1,164
Amortisation on assets not qualifying for tax allowances	-	14,125
Other permanent differences	356	(832)
Under/(over) provided in prior years	(115,376)	-
Remeasurement of deferred tax for changes in tax rates	(6,056)	(20,337)
Losses carried back	<u>136,738</u>	<u>-</u>
Taxation (credit)/charge for the year	<u>(176,368)</u>	<u>138,377</u>

#### 10 Dividends

	2023 £	2022 £
Interim paid	<u>2,636,936</u>	<u>678,218</u>

#### 11 Intangible fixed assets

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 November 2022 and 31 October 2023	<u>1,486,835</u>	<u>111,464</u>	<u>1,598,299</u>
<b>Amortisation and impairment</b>			
At 1 November 2022	1,486,835	65,405	1,552,240
Amortisation charged for the year	-	12,363	12,363
At 31 October 2023	<u>1,486,835</u>	<u>77,768</u>	<u>1,564,603</u>
<b>Carrying amount</b>			
At 31 October 2023	<u>-</u>	<u>33,696</u>	<u>33,696</u>
At 31 October 2022	<u>-</u>	<u>46,059</u>	<u>46,059</u>

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

#### 12 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 November 2022	23,753	4,528,848	204,215	16,138	4,772,954
Additions	-	74,622	27,391	-	102,013
Disposals	-	(453,702)	(14,178)	-	(467,880)
At 31 October 2023	23,753	4,149,768	217,428	16,138	4,407,087
<b>Depreciation and impairment</b>					
At 1 November 2022	18,208	3,029,880	181,227	11,432	3,240,747
Depreciation charged in the year	1,167	356,807	14,854	4,035	376,863
Eliminated in respect of disposals	-	(189,938)	(14,178)	-	(204,116)
At 31 October 2023	19,375	3,196,749	181,903	15,467	3,413,494
<b>Carrying amount</b>					
At 31 October 2023	4,378	953,019	35,525	671	993,593
At 31 October 2022	5,545	1,498,968	22,988	4,706	1,532,207

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Plant and equipment	193,600	217,800
<b>13 Stocks</b>		
	2023	2022
	£	£
Raw materials and consumables	44,864	30,135
<b>14 Debtors</b>		
<b>Amounts falling due within one year:</b>	2023	2022
	£	£
Trade debtors	688,781	785,775
Gross amounts owed by contract customers	569,775	613,764
Corporation tax recoverable	113,525	-
Other debtors	557,124	311,505
Prepayments and accrued income	88,191	59,573
	2,017,396	1,770,617

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

### 15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	17	72,600	72,600
Trade creditors		341,279	142,304
Amounts owed to group undertakings		373,500	-
Corporation tax		-	223,116
Other taxation and social security		41,512	36,328
Other creditors		15,344	104,587
Accruals and deferred income		114,624	197,608
		<u>958,859</u>	<u>776,543</u>

Amounts owed to group are interest free and repayable on demand.

### 16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	17	18,150	90,750
Government grants	19	5,812	9,937
Accruals and deferred income		67,239	117,239
		<u>91,201</u>	<u>217,926</u>

### 17 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	77,052	77,052
In two to five years	19,263	96,315
	<u>96,315</u>	<u>173,367</u>
Less: future finance charges	(5,565)	(10,017)
	<u>90,750</u>	<u>163,350</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2023

#### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Accelerated capital allowances	243,678	304,809
Other timing differences	(1,632)	(1,771)
	<u>242,046</u>	<u>303,038</u>
<b>Movements in the year:</b>		2023 £
Liability at 1 November 2022		303,038
Credit to profit or loss		(60,992)
Liability at 31 October 2023		<u>242,046</u>

#### 19 Government grants

	2023 £	2022 £
Arising from government grants	<u>5,812</u>	<u>9,937</u>

The company has received a grant from the Regional Growth Fund on the basis that new jobs have been created by the purchase of new machinery. This grant relates to capital expenditure included in tangible fixed assets, and has been recognised as deferred income and released over the expected useful life of the assets.

The amount released during the year amounted to £4,125 (2022 - £4,500).

#### 20 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>47,235</u>	<u>53,818</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# BUOYANCY AEROSPACE V1 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2023

### 21 Share capital

	2023	2022	2023	2022
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

### 22 Adjusting Events

In July 2023, one of the premises that the company is the lessee of and from where trade is carried out suffered significant damage in a fire. The directors are still evaluating the impact of the damage, which is expected to be covered by the company's insurance policies. At the date of these financial statements £500,000 had been received post year end to replace the cost of the damaged fixed assets. As the full claim has not been fully complete and cannot be reliably estimated no further adjustments have been made to the financial statements.

### 23 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	<u>170,000</u>	<u>130,000</u>
Between two and five years	<u>467,500</u>	<u>487,500</u>
	<u>637,500</u>	<u>617,500</u>

### 24 Ultimate controlling party

The company's parent, Wings Holdco limited, incorporated in England and Wales is the smallest and largest group that includes the company. Consolidated financial statements of the group can be requested from Wings Holdco Limited, 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

The group's ultimate controlling shareholder is Dr Maximilian Apel.

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