

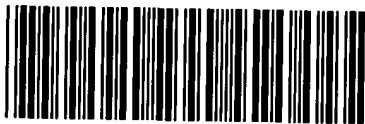
Registered number:02671224 (England and Wales)

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	B De Bastier De Villars De Bex D'Arre F Madignier
<b>Company secretary</b>	A G Secretarial Limited
<b>Registered number</b>	02671224 (England and Wales)
<b>Registered office</b>	C/O Addleshaw Goddard Corporate Services One St Peter's Square Manchester M2 3DE
<b>Independent auditors</b>	Constantin Chartered Accountants and Statutory Auditor 25 Hosier Lane London EC1A 9LQ
<b>Solicitors</b>	Addleshaw Goddard LLP One St Peter's Square Manchester M2 3DE

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Introduction

The directors present their strategic report for the year ended 31 December 2023.

#### Business review

Dassault Aviation Business Services UK (or DABS UK or the Company) is a wholly owned subsidiary of Dassault Aviation Business Services, SA, based in Switzerland, 100% owned by Dassault Aviation SA since 2019. The company is a multibrand MRO provider based in Farnborough Airport for over 20 years and is part of Dassault Aviation MRO network.

Following geopolitical and sanitary challenges in recent years, a revaluation of the business was conducted since the end of 2022 to develop a strategic relationship with significant fleet operators looking to optimise their operations through internalisation of planned aircraft maintenance. A Transitional Service Agreement was signed in March 2023 with Vistajet, which concluded by the sale of select assets, stocks and the transfer of related technicians since Dec 2023.

Thanks to this strategic decision, even though 2023 was a transition year, the maintenance activity in manhours remained close to 2022 levels, while allowing DABS UK to move towards a pure line maintenance organisation serving its customers during their trips to the UK. The company business growth will be a result of specific customer support contracts and evolution of overall airport traffic in Farnborough, which has been growing back to pre-Ukraine and pre-pandemic levels.

Backed up by a leading plane maker, DABS UK remains well positioned to further develop by expanding its capabilities and customer base in a consolidating sector, through investment in training, equipment and resources, as well as through developing strategic partnerships.

The Company's Profit and loss account is shown on page 10; for the year 2023 DABS UK generated sales of £13,681,105 a 20% decrease against sales of £17,251,065 in 2022, driven by a reduction in part sales until the sale of the base maintenance business. Net profit for the year was £2,474,876, compared to a net loss of £218,038 in 2022, driven by the sale of the base maintenance business. Productive manhours hours decreased by 3% year over year, and a gross profit of £5,634,939 was achieved (vs £6,032,222 in 2022). The decrease in gross margin was a direct result of the reduction in part sales year over year. In 2023, the Company invested £174,270 in tangible fixed assets (2022: £22,318) and £186,502 in staff training (2022: £223,672).

#### Principal risks and uncertainties

The biggest threat to the Company is competition. This can manifest itself in many ways, the most significant one being the rate per hour charged for labour services. To mitigate risk the Company concentrates on the quality of the product and services by ensuring the highest standards in the skill set of its staff and long lasting relationship with its customers. In addition, the integration with Dassault Aviation is bringing additional activity to the site.

Credit risk within the business is partially mitigated by the fact that many debtors are long term recurring customers, some of which owning aircraft based in Farnborough.

Inflationary pressure has generally had little impact on the business, because of the ability to pass on cost increases.

While external risks can also impact the business, based on the information available as of the reporting date, the focus on line maintenance is expected to generate higher activity through 2024 vs 2023 actuals in line maintenance.

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Business strategy and future developments**

The Company's strategy is to be a European premier jet maintenance facility delivering a quality product to our customers with safety being our top priority. The Company has a diverse customer base as well as capability on Bombardier and Dassault Falcon products, focusing on Line Maintenance activities in the United Kingdom.

Given the significant change in size and scope of DABS UK since December 2023, 2024 will be a transition year to adjust and optimise its operations. Therefore the goal for 2024 is to execute on the new company strategy and to validate the business assumptions. This will help reduce the uncertainty that guided the prudent risk management approach following the December 2023 APA.

The integration of DABS UK within DABS Line maintenance organisation and within Dassault Aviation MRO network facilitates organic growth on Dassault products, as well as synergies within the group.

With the aviation industry reaching or exceeding pre-pandemic activity, and Farnborough airport continued growth above pre-ukraine war levels, we anticipate that DABS UK will continue to play an important role in the DABS network of maintenance stations, as its activity will be directly linked to Farnborough traffic and to specific customer support contracts.

**Key performance indicators**

The Company monitors its performance with a number of indicators. Performance during 2023 and 2022 are shown below:

-change in productive man hours was 3% in 2023 (vs 10% in 2022). Production hours were 70,477 in 2022 and decreased to 68,661 in 2023, reflecting the change of scope of maintenance performed by DABS UK after the APA closing in December 2023.

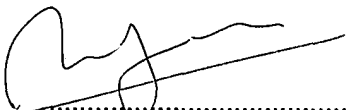
-change in revenue was -20% in 2023 (vs 23% in 2022). Year on year change in revenue expressed as a percentage. Sales decreased due to the change of scope of the company aircraft maintenance activities after the TSA period.

-gross margins increased to 40% in 2023 (vs 34% in 2022). Gross margin improved thanks to the mix of sales realised under the terms of TSA.

**Environment**

The disposal of used aircraft engine oil and engine ground running noise pollution are the Company's main environmental issues. Regarding the disposal of used engine oil, fuels and other liquids the Company has in place a contract with a third party for the legal disposal of hazardous wastes. In relation to engine ground running noise pollution, the Company keeps ground running times to the legal minimum as required by aircraft maintenance manual checks.

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

  
.....  
**F Madignier**  
Director

Date: 27 June 2024

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their Annual Report on the affairs of the Company, together with the financial statements and Auditor's Report, for the year ended 31 December 2023.

Certain information required to be disclosed in the director's report is considered of strategic importance to the company, and therefore disclosure is given in the strategic report. The specific items disclosed in the strategic report are:

- Business review and environment
- Principal risks and uncertainties
- Business strategy and future developments
- Key Performance Indicators

#### **Principal activity**

The principal activity of the company in the year under review was that of Aircraft maintenance.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,474,880 (2022: loss £218,038).

The Directors do not propose the payment of a dividend (2021: £nil).

#### **Directors**

The Directors who served during the year were:

F Madignier

Other changes to directors:

B De Bastier De Villars De Bez D'Arre (appointed on 23 January 2023)

M Longuet (resigned on 23 January 2023)

#### **Events since the end of the year**

Given the significant change in size of the company since December 2023, DABS UK is still adjusting to its new scope and strategy .

Already the focus on line maintenance activity and the integration within DABS Line maintenance organisation is showing encouraging metrics when human and equipment resources are available.

With the aviation industry reaching or exceeding pre pandemic activity and Farnborough airport continued growth, we anticipate that DABS UK will continue to play an important role in the DABS network of maintenance stations.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Going concern

The short term loan of £5m received by DABS UK from its parent Dassault Aviation Business Services SA (DABS SA) was reconducted in 2023 to support its activities and the development of strategic business relationships.

The signature of the APA in December 2023 validated this approach. It is anticipated that the short term loan might be reimbursed to DABS SA in the second half of 2024, as part of its annual revaluation of business risks and provisions.

As in previous years the immediate parent company, Dassault Aviation Business Services SA, has agreed to provide financial support, as required, to enable the Company to meet its financial obligations as and when they fall due for a period of at least twelve months from the date of the approval of these financial statements.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account the reasonably possible changes in trading performance in the light of uncertainty related to current economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopt the going concern basis in preparing the accounts. Further details can be found in note 2 to the financial statements.

#### Financial risk management policies and objectives

The Company through its operations is exposed to financial credit risk, liquidity risk and exchange risk. The Company has in place a number of protocols to monitor and to mitigate where possible any effects from these risks.

Due to the size of the Company, the Directors have not delegated responsibility for monitoring and managing the financial risk to a sub committee of the Board. The policies set by the Board are managed by the finance department.

#### Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which could result in a reduction in the recoverability of the cash flows.

The Company performs reference checking with its customers however, due to the diverse nature of the Company's clients, this is not always possible.

Due to the closing of the APA at the end of 2023, the Company had a significant concentration of credit risk with the buyer. In 2024, following the agreed stage payment of the transaction and redeployment of the business, the exposure will again be spread over a number of counterparties and customers.

#### Liquidity risk

The liquidity risk for the Company has decreased due to integration with Dassault Aviation.

#### Exchange risk

The Company generally operates on a cost plus basis and is largely protected from significant currency movements. It incurs certain costs in United States Dollars and Euros and records any exchange gains or losses as incurred.

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Information provided to auditors**

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

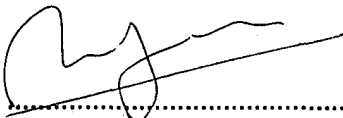
- so far as the Director is aware, there is no relevant audit information needed by the company's auditors in connection with preparing their report of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself 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 s418 of the Companies Act 2006.

**Auditors**

Constantin were appointed as auditors in March 2020, and have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



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**F Madignier**  
Director

Date: 27 June 2024

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Company law requires the directors to prepare financial statements and Auditor's Report, for each financial year. Under that law the directors have elected to prepare the financial statements and Auditor's Report, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements and Auditor's Report, 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 and Auditor's Report,, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Dassault Aviation Business Services UK, Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 19.

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).

##### 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 Financial Reporting Council's (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 at least twelve months from when the financial statements are authorised for issue.

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

##### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

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

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

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

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 any material misstatements in [the strategic report or] the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### 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.



#### Thierry de Gennes ACA (Senior Statutory Auditor)

For and on behalf of Constantin  
Chartered Accountants and Statutory Auditor  
25 Hosier Lane  
London  
EC1A 9LQ

Date: 27 June 2024

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Note	2023 £	2022 £
Turnover	4	13,681,105	17,251,065
Cost of sales		(8,046,164)	(11,218,843)
<b>Gross profit</b>		<u>5,634,941</u>	<u>6,032,222</u>
Administrative expenses		(5,187,391)	(5,666,541)
Other operating income	16	2,225,972	-
<b>Operating profit</b>	6	<u>2,673,522</u>	<u>365,681</u>
Interest payable and similar expenses	7	(198,642)	(74,982)
<b>Profit before tax</b>		<u>2,474,880</u>	<u>290,699</u>
Tax on profit		-	(508,737)
<b>Profit/(loss) for the financial year</b>		<u><u>2,474,880</u></u>	<u><u>(218,038)</u></u>

There was no other comprehensive income for 2023 (2022:£NIL).

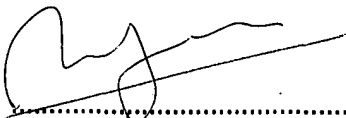
The notes on pages 13 to 24 form part of these financial statements.

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	169,631	428,442
		<u>169,631</u>	<u>428,442</u>
<b>Current assets</b>			
Stocks	10	734,015	535,177
Debtors: amounts falling due within one year	11	6,287,680	6,922,636
Bank and cash balances		4,821,479	3,981,589
		<u>11,843,174</u>	<u>11,439,402</u>
Creditors: amounts falling due within one year	12	(9,477,861)	(11,807,780)
<b>Net current assets/(liabilities)</b>		<u>2,365,313</u>	<u>(368,378)</u>
<b>Total assets less current liabilities</b>		<u>2,534,944</u>	<u>60,064</u>
<b>Net assets</b>		<u><u>2,534,944</u></u>	<u><u>60,064</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	2,000,000	2,000,000
Profit and loss account		534,944	(1,939,936)
		<u>2,534,944</u>	<u>60,064</u>

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

  
.....  
**F Madignier**  
Director

Date: 27 June 2024

The notes on pages 13 to 24 form part of these financial statements.

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 January 2022</b>	2,000,000	(1,721,898)	278,102
<b>Comprehensive income for the year</b>			
Loss for the year	-	(218,038)	(218,038)
<b>Total comprehensive income for the year</b>	-	(218,038)	(218,038)
<b>At 1 January 2023</b>	2,000,000	(1,939,936)	60,064
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,474,880	2,474,880
<b>Total comprehensive income for the year</b>	-	2,474,880	2,474,880
<b>At 31 December 2023</b>	<u>2,000,000</u>	<u>534,944</u>	<u>2,534,944</u>

The notes on pages 13 to 24 form part of these financial statements.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1. Statutory information

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

#### 2. Accounting policies

##### 2.1 Basis of preparing the financial statements

Dassault Aviation Business Services UK, Ltd is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered England and Wales. The address of the Company's registered office is shown on the company information page.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 and 2, and in the Directors' Report on page 3 - 5.

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Dassault Aviation Business Services UK, Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Dassault Aviation Business Services UK, Ltd is consolidated in the financial statements of its parent, Dassault Aviation Business Services SA, which may be obtained from the address in note 18. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, disclosure of related party transactions and remuneration of key management personnel.

##### 2.2 Financial Reporting Standards 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41 (b), 11.41 (c), 11.41 (e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirement of Section 33 Related Party Disclosures paragraph 33.7

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The short term loan of £5m received by DABS UK from its parent Dassault Aviation Business Services SA (DABS SA) was reconducted in 2023 to support its activities and the development of strategic business relationships.

The signature of the APA in December 2023 validated this approach. It is anticipated that the short term loan might be reimbursed to DABS SA in the second half of 2024, as part of its annual revaluation of business risks and provisions.

As in previous years the immediate parent company, Dassault Aviation Business Services SA, has agreed to provide financial support, as required, to enable the Company to meet its financial obligations as and when they fall due for a period of at least twelve months from the date of the approval of these financial statements.

Having given due consideration to the above factors and the anticipated future performance of the Company, taking into account the reasonably possible changes in trading performance in the light of uncertainty related to current economic conditions, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they adopt the going concern basis in preparing the accounts. Further details can be found in note 2 to the financial statements.

**2.4 Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, over the estimated useful lives of the assets at the following rates:

Leasehold improvements	- 10% reducing balance
Fixtures, fittings, tools and equipment	- 15% to 33% reducing balance
Motor vehicles	- 25% reducing balance

No depreciation is provided until the asset is brought into use.

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises of materials purchased. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 2. Accounting policies (continued)

##### 2.6 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference.

Similarly, a deferred tax asset/(liability) is recognised for the additional tax that will be avoided/(paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

##### 2.7 Foreign currency

Foreign currency transactions are translated into Pounds sterling at the rates ruling at the beginning of the month the transactions took place. Foreign currency monetary assets and liabilities are translated into Pounds sterling at the period end rates. All foreign currency differences are dealt with through the profit and loss account.

##### 2.8 Leases

Assets held under finance leases are capitalised as tangible fixed assets and are depreciated over the lease term. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of the capital repayments outstanding. Operating leases are charged to the profit and loss account in the period they are incurred.

##### 2.9 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The amount charged to the Profit and Loss Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

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## DASSAULT AVIATION BUSINESS SERVICES UK, LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 2. Accounting policies (continued)

##### 2.10 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, aircraft maintenance. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

##### 2.11 Financial instruments

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

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.

##### 2.12 Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The Company holds only such financial assets and liabilities measured at undiscounted amounts receivable or payable, analysis of which is available in notes 11 and 12.

There are no financial assets and liabilities measured at fair value through profit or loss or amortised cost, and no equity instruments or loan commitments which would require separate analysis.

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**2.13 Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**2.14 Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**2.15 Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**2.16 Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, 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.

**Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Revenue recognition**

In making their judgement, the Directors have considered the detailed criteria for the recognitions of revenue set out in FRS 102 Section 23 Revenue, and in particular, whether:

- i. The amount of revenue can be measure reliably;
  - ii. It is probable that the economic benefits associated with the transaction will flow to the entity;
  - iii. The stage of completion of the transaction at the end of the reporting period can be measured reliably;
- and
- iv. The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**Key source of estimation uncertainty**

The Directors do not consider there to be any key sources of estimation uncertainty within the financial statements.

**4. Turnover**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is as follows:

	2023	2022
	£	£
Rendering of services	4,859,160	10,169,588
Sales of goods	3,841,489	7,081,477
Other services	4,980,456	-
	<u>13,681,105</u>	<u>17,251,065</u>

All turnovers arose within the United Kingdom.

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**5. Employees and directors**

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	4,628,021	5,313,358
Social security costs	490,878	593,277
Other pension costs	233,645	243,764
	<u>5,352,544</u>	<u>6,150,399</u>

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

	2023 No.	2022 No.
Operation	53	65
Administration	27	27
	<u>80</u>	<u>92</u>

There were no directors' remuneration for the year ended 31 December 2023 (2022: £nil).

**6. Operating profit**

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation - owned assets	122,782	142,787
Audit services	33,000	33,000
Taxation compliance services	7,150	7,150
Foreign exchange differences	48,541	88,684
Impairment of stock recognised as an expense	12,861	326,799
Operating lease rental	<u>17,170</u>	<u>10,833</u>

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**7. Interest payable and similar expenses**

	2023 £	2022 £
Bank interest payable	<u>198,642</u>	<u>74,982</u>

**8. Taxation**

	2023 £	2022 £
<b>Deferred tax</b>		
Reversal of timing differences	-	508,737
<b>Total deferred tax</b>	<u>-</u>	<u>508,737</u>
<b>Tax on profit</b>	<u>-</u>	<u>508,737</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 23.52% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>2,474,880</u>	<u>290,699</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	582,092	55,233
<b>Effects of:</b>		
Expenses not deductible for tax purposes	24,872	1,645
Movement in deferred tax not recognised	(594,719)	453,619
Fixed asset differences	(12,245)	(1,760)
<b>Total tax charge for the year</b>	<u>-</u>	<u>508,737</u>

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Factors that may affect future tax charges**

At the balance sheet date, there are deferred tax assets totalling £140,000 (2022: £772,000). Deferred tax assets of £140,000 (2022: £772,000) have not been recognised following a review of future projected profits.

In October 2022, the government announced changes to Corporation tax rates from the 1st of April 2023, increasing the main rate of Corporation tax from 19% to 25%. A blended rate of 23.5% has therefore been applied for the financial year 2023.

**9. Tangible fixed assets**

	Short-term leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2023	361,956	2,534,285	88,909	2,985,150
Additions	-	174,270	-	174,270
Disposals	(361,956)	(2,369,861)	(68,750)	(2,800,567)
At 31 December 2023	-	338,694	20,159	358,853
<b>Depreciation</b>				
At 1 January 2023	344,603	2,168,993	43,112	2,556,708
Charge for the year	14,717	98,426	9,639	122,782
Disposals	(359,320)	(2,090,298)	(40,650)	(2,490,268)
At 31 December 2023	-	177,121	12,101	189,222
<b>Net book value</b>				
At 31 December 2023	-	161,573	8,058	169,631
At 31 December 2022	17,353	365,292	45,797	428,442

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**10. Stocks**

	2023 £	2022 £
Finished goods and goods for resale	<u>734,015</u>	<u>535,177</u>

**11. Debtors**

	2023 £	2022 £
Trade debtors	5,050,626	2,973,368
Amounts owed by group undertakings	149	217,754
Other debtors	68,458	486,626
Prepayments and accrued income	1,168,447	3,244,888
	<u>6,287,680</u>	<u>6,922,636</u>

	2023 £	2022 £
<b>Deferred tax asset</b>		
Deferred tax	-	508,737
Losses and other deductions	-	(508,737)
	<u>-</u>	<u>-</u>

Amounts due by group undertakings are repayable on demand and non-interest bearing.

**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**12. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	863,781	438,215
Amounts owed to group undertakings	5,159,547	5,957,832
Other taxation and social security	70,560	209,297
Other creditors	-	4,609
Accruals and deferred income	3,383,973	5,197,827
	<u>9,477,861</u>	<u>11,807,780</u>

Amounts due to group undertakings are repayable on demand and non-interest bearing.

**13. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	<u>2,446</u>	<u>2,446</u>

**14. Deferred tax**

	2023 £	2022 £
Balance at 1 January	-	(508,737)
Credit to Statement of Comprehensive Income during year	-	508,737
<b>Balance at 31 December</b>	<u>-</u>	<u>-</u>

**15. Share capital**

	2023 £	2022 £
<b>Authorised, allotted, called up and fully paid</b>		
2,000,000 (2021: 2,000,000) Class shares of £1.00 each	<u>2,000,000</u>	<u>2,000,000</u>

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**DASSAULT AVIATION BUSINESS SERVICES UK, LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**16. Other Operating Income**

Other operating income represents the sale of the base maintenance business in 2023.

	2023 £	2022 £
Sale of base maintenance business and assets	<u>2,225,972</u>	<u>-</u>

In December 2023, DABS UK sold its base maintenance business and related assets, including the use of the maintenance hangar. This transaction generated an operating income resulting from the sales price minus the write off of its net assets and stocks.

**17. Pension commitments**

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2023 was £233,645 (2022: £243,764).

**18. Post balance sheet events**

Given the significant change in size of the company since December 2023, DABS UK is still adjusting to its new scope and strategy .

Already the focus on line maintenance activity and the integration within DABS Line maintenance organisation is showing encouraging metrics when human and equipment resources are available.

With the aviation industry reaching or exceeding pre pandemic activity and Farnborough airport continued growth, we anticipate that DABS UK will continue to play an important role in the DABS network of maintenance stations.

**19. Ultimate controlling party**

In the opinion of the Directors the Company's ultimate parent company is Dassault Aviation SA. This is also the parent undertaking of the largest group which includes the Company for which financial statements are being prepared. The parent undertaking of the smallest such group and immediate parent company is Dassault Aviation Business Services SA incorporated in Switzerland. The accounts of Dassault Aviation Business Services SA are available at its registered address at 20, Chemin des Papillon, PO Box 36, 1215 Geneva 15, Switzerland.