

REGISTERED NUMBER: 10656583 (England and Wales)

Parent Company of GCP Aviation Limited
Registered Number (10232812)
List of subsidiaries are included on pages
29 - 32 of these accounts

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

FOR

2 EXCEL (HOLDINGS) LIMITED

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2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Consolidated Income Statement	10
Consolidated Statement of Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
<i>Consolidated Statement of Changes in Equity</i>	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Consolidated Cash Flow Statement	17
Notes to the Consolidated Financial Statements	18

2 EXCEL (HOLDINGS) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:	C J R Norton A C Offer H P Singh A J W Rae L F Campbell (appointed 23 June 2022)
REGISTERED OFFICE:	72 Fielding Road London W4 1DB
REGISTERED NUMBER:	10656583 (England and Wales)
AUDITORS:	Buzzacott LLP Chartered Accountants & Statutory Auditors 130 Wood Street London EC2V 6DL

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their Strategic Report for the 2Excel (Holdings) Limited for the financial year ended 31 March 2022

REVIEW OF BUSINESS

The principal activity of the Group during the year under review was that of providing aerospace services.

Strategic Context

The strategic context for the Group's operations included the fall-out from Brexit, the continuation of the Covid-19 Pandemic and the fall-out from Russia's invasion of Ukraine. By the end of the year, worldwide passenger airline travel remained below 60% of its 2019 level as staff from aviation's supporting supply chains had exited the sector. International borders remained hard to cross without significant bureaucratic preparation. Supply chain friction remained very high; aircraft parts were particularly hard to get. Human migration towards the UK continued to surge. Home working reduced but remained entrenched particularly in Government departments and in large businesses; the consequence was that strategic decisions were still being delayed. This was exacerbated by the Government's financial strategy to recover its finances following the first year of the Pandemic; recovery policies within Government departments had direct effects on long-term contracts both delaying their introduction and extending them.

Group Strategy

Having survived the twin strategic shocks of Brexit and the Pandemic and having reconfigured for the emerging realities, the Group's strategy for the year was to Recover and Prosper and to win business that were on its strategic path. The Group Strategic Plan was to regain the Group's pre-pandemic growth trajectory by growing its existing contracts and by taking adjacent market opportunities to achieve its targets in year. Its operational plan was to scale-up its human resources to be able to deliver resiliently the work it won, returning to its normal business model and continuing to generate cash to reduce liquidity risk.

Recover and Prosper

In order to mitigate slow customer decision making, initially the Board invested in projects at risk where it felt there was a high likelihood of securing significant contracts. The Group continued to invest and modernize its overall fleet and to cut its carbon emissions in line with its Sustainability Policy. It created new jobs during the year to deliver its activities more resiliently.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are described below:

Revenue Risks

The Group is reliant on Government and large companies for contracts which are subject to periodic competitive tender. Renewal of these contracts is uncertain. However, the Group over-performs both financially and operationally, retaining incumbency and growing market share. Individual lines of business make great efforts to maintain their existing business relationships and to change their offerings in contract to remain relevant to their customers.

The Group continued to win significant contracts during the period. However, continued 'working from home' policies amongst customers, allied to Government financial recovery policies, stifled decision making, commitments and, consequentially, delayed contract signatures. This delayed expected revenues and negatively impacted cashflows. The Directors expect this friction to remain but reduce in the coming year. Revenue risk was mitigated by the Board's policy of 'proactively taking risk,' investing in high probability of win opportunities especially with long-standing partners. At a Divisional level, lines of business remained particularly agile and able to react very swiftly to fleeting opportunities.

Coronavirus Risk

The Group's Coronavirus strategy was to React, Survive, Reconfigure, Recover and Prosper. During the period Recover and Prosper phases were implemented.

The Group's Charter and Blades lines of business are 'retail' in nature and were reliant on Coronavirus restrictions easing and the economy recovering. Both Charter and The Blades were affected by uncertainties in their respective sectors. Both lines of business struggled during the period but the successes of the rest of the Group meant, in line with the principles of the Group's controlling Employee Ownership Trust, the Group was strong enough to continue trade in both lines of business.

Longer-term and deeply felt across the whole Group, a secondary effect of Coronavirus was increased supply chain friction. This variously halted or slowed down the Group's supporting service industries abroad. Across the world, many businesses were closed, some supply chain staff could not work and, in particular, scarce replacement aircraft parts could not be secured and/or transported swiftly around the world or between the various supply chain nodes. The resultant lack of spare parts meant aircraft maintenance and repairs took much longer than expected and forecast service resilience could not be delivered. This negatively impacted aircraft availability and the consequential ability to realise revenue opportunities.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

Brexit Risk

Immediately after the end of the Brexit Transition Period, friction at international borders became very high. This was due to incomplete arrangements for trade across borders once the UK had left the European Union. Similarly, notwithstanding the provisions of the Chicago Convention, obtaining the freedom to fly across Europe became difficult in obtaining national permits. Customers saw that difficulty as a risk to their flying when selecting UK-registered operators. However, this risk has reduced during the 15 months since the end of the Transition Period by increasingly good practice.

War in Ukraine Risk

The Group has no Russian or Ukrainian customers. It had a single Ukraine-based supplier which provided software that is not unique. Apart from driving significant fuel and energy cost escalation, the effect of sanctions on Russia have been minimal on the Group. In fact, it has reduced the Competitive Risk to the Group's Charter business by removing Russian competitors from the European market. It has also re-focussed Governments on increasing defence spending which has reversed a trend from the defence sector in the face of climate change protectionism. Overall, the Group is not negatively exposed to the war in Ukraine.

Competitive Risk

Historically, the Group's strategy has been to operate in niches where there are few, if any, competitors. However, as it has grown, its opportunities are more valuable and it is competing against larger companies. The Group's reputation, delivery performance, innovation, risk management and its demonstrable 'value-for-money' pricing strategy mean that it has continued to win contracts against these larger competitors.

While the impact of Coronavirus risk on the Group (particularly its concomitant liquidity risk) could be perceived by the Group's larger customers as a risk that they were unable to carry, the Group's focus on over-delivery, maintaining excellent customer relationships and its strong performance in emerging from Coronavirus during the financial year mitigated this Competitive Risk. Moreover, Liquidity Risk across the whole economy created adjacent opportunities. The Group's agility allowed it to swiftly exploit these opportunities faster and more effectively than its competitors.

Delivery Risk

The corollary of the Group's value-for-money pricing strategy is that any failure by the Group to identify or manage operational delivery risks or to cater for cost inflation within its contracts could store latent financial Delivery Risk downstream. To mitigate this the Group operates a highly developed 'management of change' process to inform contractual negotiations. Consequential contractual terms mean that the Group has minimal exposure to the effects of inaccurate hedging and *force majeure*.

The Group is reliant on 2Excel Engineering Limited to deliver its aircraft maintenance. The Group's exposure to 2Excel Engineering Ltd was closely managed by a Group Director. 2Excel Engineering balanced its capacity against demand and managed to navigate the Pandemic and grow its business during the period.

Financial Instrument Risks

The Group continued to improve its financial risk management frameworks. It grew its in-house finance department, implemented continuous improvement programmes across its internal financial controls, adding increasingly deep analysis tools and increasingly early financial result reporting. In spite of its hardening debt covenants, the Group was able to create steadily increasing head room against all its financial instrument risks.

Liquidity Risk

Liquidity Risk is the risk that an entity will encounter difficulty in meeting its financial obligations. Before the pandemic, the Group had taken significant Liquidity Risk to secure increased market share and grow. The Pandemic negatively transformed some of the Group's market sectors and revenue generation in those sectors had become very difficult. During the previous financial year, the Board's Liquidity Risk management strategy had been to limit its growth initiatives, control costs and, focus on cash generation to reduce its liquidity risk exposure. During the period, this constraint on growth was relaxed as medium and long-term investments were turned into aerospace services which increased revenues and reduced the Group's Liquidity Risk.

FUTURE DEVELOPMENTS

Commercial

The Group has positioned itself to be ready for the new realities of the post-Pandemic world. It has proven itself nationally, is operating internationally, and has won contracts of steadily increasing scale. During the period, revenues have increased by a third and this growth path is forecast to continue. The Group has won and is poised to win significant, blue-chip contracts.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

FUTURE DEVELOPMENTS

Environmental, Social and Governance (ESG)

Remaining relevant to the new realities, the Group is already forward-leaning in Sustainability. Its Sustainability Policy encompasses its Environmental and Social Value Policies. To reduce its carbon footprint, manage aircraft obsolescence reduce and mitigate churn, be an employer of choice and be recognised as a socially and environmentally conscious exemplar, the Group continues to develop its plans to deliver the Group's Sustainability targets. Fomented through the Group's Caring Culture and administered by cross-company steering and working groups, those plans include the Group's Resilience Plan, Volunteering Plan, Business Continuity Plan, Carbon Reduction Plan, Environmental Stewardship Plan, Bio-diversity Action Plan, Waste Plan, Water Management Plan and its Circular Economy Plan.

POSITION OF THE GROUP

Performance during the Period

In spite of the twin impacts of Coronavirus and Brexit, of which the more important was Coronavirus, the Group's operational diversity and service relevance meant that Group revenues increased by 38%. To deliver this, headcount only increased 12.5%. In the face of this exceptional revenue growth, strong cost control across the Group meant Gross Profit Margin only declined by 1%.

The Group made a profit of £2.5m after taxes during the period, reversing its loss of the previous financial year. Notwithstanding all the negative effects of Coronavirus and Brexit on the UK aerospace sector the Group has managed them well surging through its 'Recover' phase so that it is now firmly into 'Prosper.'

GOING CONCERN

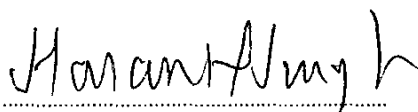
The Directors have considered the Group's strong performance during the Coronavirus crisis, in the post-Brexit world and in the face of the Ukraine War and have decided that the Group has weathered these strategic shocks very well. It has returned to profit, recovered the losses of the previous year, grown its employee base, secured significant new contracts and, particularly, grown its revenues. It has significantly improved its resilience and enhanced its reputation. Noting that the Group has increased its total debt, it has reduced its Liquidity and Financial Instrument Risks. Contextually, Brexit and Coronavirus risks are both reducing too. The Directors do not consider there is any material uncertainty that causes any significant doubt that the Group can continue as a going concern. The Group's performance has been overwhelmingly positive. Where it has competed, it has been successful in winning new contracts and increasing its market share. The Group is forecasting significant growth in the coming year. The future looks easier to manage. Therefore, the Directors consider that the 2Excel (Holdings) Limited Group remains a going concern.

KEY PERFORMANCE INDICATORS

The key financial and other performance indicators for the Group during the year were as follows:

Description	2022 £	2021 £	Change %
Revenue	40,486,291	29,309,388	+38%
Gross profit	28,631,459	20,943,370	+37%
Gross Profit %	70%	71%	-1%
Operating profit	6,143,973	1,018,492	+503%
Profit/(Loss) after tax	2,563,549	(251,496)	+1119%
Shareholders' funds	10,819,311	8,531,610	+27%
Average number of employees	243	216	+12.5%

ON BEHALF OF THE BOARD:



H P Singh - Director

Date: 30/09/2022

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

The Directors present their report with the Financial Statements of the company and the Group for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the 2Excel Group during the year under review was that of providing aerospace services.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022 (2021: Nil).

DIRECTORS

The Directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

C J R Norton
A C Offer
H P Singh
A J W Rae

L F Campbell was appointed on 23 June 2022.

CHARITABLE DONATIONS AND EXPENDITURE

During the year, the Group donated £8,150 to charities (2021: £nil).

DISCLOSURE IN THE STRATEGIC REPORT

The Group has chosen in accordance with s.414C(11) of Companies Act 2006 to set out in the Group's strategic report information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and reports) Regulations 2008 to be contained in the Director's report. The following information has been disclosed in the strategic report:

- The principal risks and uncertainties of the Group
- The going concern of the Group

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each 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 Group's auditors are aware of that information.

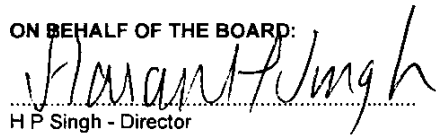
2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

AUDITORS

The auditors, Buzzacott LLP, were appointed during the year and their re-appointment will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


H P Singh - Director

Date: 30/09/2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

Opinion

We have audited the Financial Statements of 2 Excel (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement 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 Group's and of the parent company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

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

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

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.

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 the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the Financial Statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including *knowledge specific to auditing design, manufacturing and service businesses*;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the Financial Statements of the Group and company through discussions with Directors and other management at the planning stage, and from our knowledge and experience of design, manufacturing and service businesses;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the Group and company and their internal controls; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the Financial Statements or the operations of the Group and company including the Companies Act 2006, Health and Safety Act 1974, Civil Aviation Authority regulations, employment legislation and taxation legislation;

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Group and company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries around the year end to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Group and company's management;
- reviewed the application of capitalisation policies and whether expenditure has been appropriately capitalised or recognised through profit or loss;
- tested the completeness and occurrence of revenue by obtaining contracts and purchase orders and investigated any material variances to expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
2 EXCEL (HOLDINGS) LIMITED

Auditors' responsibilities for the audit of the Financial Statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing Financial Statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 Buzzacott LLP

Philip Westerman (Senior Statutory Auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 30/09/2022

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
REVENUE		40,486,291	29,309,388
Cost of sales		<u>(11,854,832)</u>	<u>(8,366,018)</u>
GROSS PROFIT		28,631,459	20,943,370
Administrative expenses		<u>(22,718,127)</u>	<u>(20,576,924)</u>
		5,913,332	366,446
Other operating income		<u>230,641</u>	<u>652,046</u>
OPERATING PROFIT	4	6,143,973	1,018,492
Shares of operating profit in associates	10	16,636	111,616
Interest payable and similar expenses	5	<u>(3,515,134)</u>	<u>(1,901,332)</u>
PROFIT/(LOSS) BEFORE TAXATION		2,645,475	(771,224)
Tax on profit/(loss)	6	<u>(81,926)</u>	<u>519,728</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,563,549</u>	<u>(251,496)</u>
Profit attributable to:			
Owners of the parent		2,287,701	(528,209)
Non-controlling interests		<u>275,848</u>	<u>276,713</u>
		<u>2,563,549</u>	<u>(251,496)</u>

All amounts relate to continuing operations.

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
PROFIT/(LOSS) FOR THE YEAR		2,563,549	(251,496)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,563,549</u>	<u>(251,496)</u>
Total comprehensive income attributable to:			
Owners of the parent		2,287,701	(528,209)
Non-controlling interests		<u>275,848</u>	<u>276,713</u>
		<u>2,563,549</u>	<u>(251,496)</u>

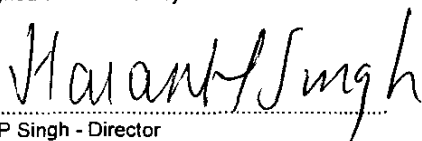
The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED BALANCE SHEET
31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		3,517,609		4,529,847
Negative Goodwill	8		(464,792)		(619,722)
Property, plant and equipment	9		23,844,250		20,866,504
Investments	10		<u>128,672</u>		<u>112,036</u>
			27,025,739		24,888,665
CURRENT ASSETS					
Inventories	11	2,500		2,500	
Debtors	12	15,979,083		12,527,401	
Cash at bank and in hand		<u>1,591,185</u>		<u>3,484,608</u>	
			17,572,768		16,014,509
CREDITORS					
Amounts falling due within one year	13	<u>(7,096,623)</u>		<u>(7,623,441)</u>	
NET CURRENT ASSETS			<u>10,476,145</u>		<u>8,391,068</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			37,501,884		33,279,733
CREDITORS					
Amounts falling due after more than one year	14		<u>(26,743,997)</u>		<u>(25,085,395)</u>
NET ASSETS			<u>10,757,887</u>		<u>8,194,338</u>
CAPITAL AND RESERVES					
Called up share capital	18		840		840
Merger reserve	19		471,700		471,700
Retained earnings	19		<u>10,346,771</u>		<u>8,059,070</u>
SHAREHOLDERS' FUNDS			10,819,311		8,531,610
NON-CONTROLLING INTERESTS	23		<u>(61,424)</u>		<u>(337,272)</u>
TOTAL EQUITY			<u>10,757,887</u>		<u>8,194,338</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 30/09/2022 and were signed on its behalf by:


.....
H P Singh - Director

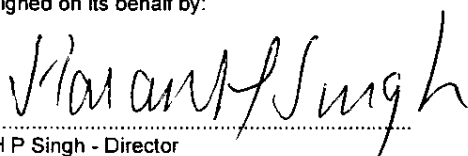
The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

COMPANY BALANCE SHEET
31 MARCH 2022

	Notes	£	2022	£	2021	£
FIXED ASSETS						
Investments	10			<u>420</u>		<u>420</u>
				420		420
CURRENT ASSETS						
Debtors	12	840			840	
CREDITORS						
Amounts falling due within one year	13	<u>420</u>		<u>420</u>		
NET CURRENT ASSETS				<u>420</u>		<u>420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>840</u>		<u>840</u>
CAPITAL AND RESERVES						
Called up share capital	18			<u>840</u>		<u>840</u>
SHAREHOLDERS' FUNDS				<u>840</u>		<u>840</u>
Company's profit for the financial year				<u>-</u>		<u>-</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 30/09/2022 and were signed on its behalf by:


H P Singh - Director

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

	Called up share capital £	Retained earnings £	Merger reserve £
Balance at 1 April 2020	840	8,800,650	471,700
Changes in equity			
Total comprehensive income	-	(528,209)	-
Movement due to gain of control of subsidiaries	-	(92,817)	-
Other Movements	-	(120,554)	-
Balance at 31 March 2021	<u>840</u>	<u>8,059,070</u>	<u>471,700</u>
Changes in equity			
Total comprehensive income	-	2,287,701	-
Balance at 31 March 2022	<u>840</u>	<u>10,346,771</u>	<u>471,700</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2020	9,273,190	(827,356)	8,445,834
Changes in equity			
Total comprehensive income	(528,209)	276,713	(251,496)
Movement due to gain of control of subsidiaries	(92,817)	92,817	-
Other Movements	(120,554)	120,554	-
Balance at 31 March 2021	<u>8,531,610</u>	<u>(337,272)</u>	<u>8,194,338</u>
Changes in equity			
Total comprehensive income	2,287,701	275,848	2,563,549
Balance at 31 March 2022	<u>10,819,311</u>	<u>(61,424)</u>	<u>10,757,887</u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	840	-	840
Changes in equity			
Balance at 31 March 2021	<u>840</u>	<u>-</u>	<u>840</u>
Changes in equity			
Balance at 31 March 2022	<u>840</u>	<u>-</u>	<u>840</u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	4,454,037	(2,508,497)
Tax received		<u>640,336</u>	<u>481,113</u>
Net cash from operating activities		<u>5,094,373</u>	<u>(2,027,384)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(5,623,390)	(1,988,309)
Sale of tangible fixed assets		-	26,000
Cash acquired on acquisition		<u>-</u>	<u>1,585</u>
Net cash from investing activities		<u>(5,623,390)</u>	<u>(1,960,724)</u>
Cash flows from financing activities			
New borrowings		-	25,085,395
Repayments of borrowings		-	(15,021,887)
Interest paid		(1,364,406)	(1,901,332)
Amount paid to directors		<u>-</u>	<u>(278,137)</u>
Net cash from financing activities		<u>(1,364,406)</u>	<u>7,884,039</u>
Increase/(Decrease) in cash and cash equivalents		(1,893,423)	3,895,931
Cash and cash equivalents at beginning of year	2	<u>3,484,608</u>	<u>(411,323)</u>
Cash and cash equivalents at end of year	2	<u><u>1,591,185</u></u>	<u><u>3,484,608</u></u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31-MARCH-2022

1. RECONCILIATION OF PROFIT AFTER TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit/(Loss) after taxation	2,563,549	(251,496)
Depreciation and amortisation charges	3,502,952	3,058,912
(Profit)/loss on disposal of fixed assets	-	(16,333)
Finance costs	3,515,134	1,901,332
Tax expense	81,926	(519,728)
Research and Development Expenditure credit	-	(120,837)
Shares of operating profit in associates	(16,636)	(112,036)
	<u>9,646,925</u>	<u>3,939,814</u>
Decrease/(Increase) in trade and other debtors	(4,092,247)	3,960,819
(Decrease)/Increase in trade and other creditors	<u>(1,100,641)</u>	<u>(10,409,130)</u>
Cash generated from operations	<u>4,454,037</u>	<u>(2,508,497)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>1,591,185</u>	<u>3,484,608</u>
	<u>1,591,185</u>	<u>3,484,608</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	3,484,608	2,118
Bank overdrafts	-	<u>(413,441)</u>
	<u>3,484,608</u>	<u>(411,323)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>3,484,608</u>	<u>(1,893,423)</u>	<u>1,591,185</u>
	<u>3,484,608</u>	<u>(1,893,423)</u>	<u>1,591,185</u>
Debt			
Debts falling due within 1 year	-	(492,126)	(492,126)
Debts falling due after 1 year	<u>(25,085,395)</u>	<u>(1,658,602)</u>	<u>(26,743,997)</u>
	<u>(25,085,395)</u>	<u>(2,150,728)</u>	<u>(27,236,123)</u>
Total	<u>(21,600,787)</u>	<u>(4,044,151)</u>	<u>(25,644,938)</u>

The notes form part of these financial statements

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

1. STATUTORY INFORMATION

2 Excel (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2 Excel (Holdings) Limited principal place of business is The Tiger House, Sywell Aerodrome, Sywell, Northampton NN6 0BN.

2. ACCOUNTING POLICIES

Basis of preparing the Financial Statements

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

The Financial Statements are presented in Sterling (£).

The principal activity of the company is a Holding Company and the Group is that of aerospace services.

Going concern

The Directors have considered the Group's strong performance during the Coronavirus crisis, in the post-Brexit world and in the face of the Ukraine War and have decided that the Group has weathered these strategic shocks very well. It has returned to profit, recovered the losses of the previous year, grown its employee base, secured significant new contracts and, particularly, grown its revenues. It has significantly improved its resilience and enhanced its reputation. Noting that the Group has increased its total debt, it has reduced its Liquidity and Financial Instrument Risks. Contextually, Brexit and Coronavirus risks are both reducing too. The Directors do not consider there is any material uncertainty that causes any significant doubt that the Group can continue as a going concern. The Group's performance has been overwhelmingly positive. Where it has competed, it has been successful in winning new contracts and increasing its market share. The Group is forecasting significant growth in the coming year. The future looks easier to manage. Therefore, the Directors consider that the 2Excel (Holdings) Limited Group remains a going concern.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of 2 Excel (Holdings) Limited and all its subsidiary undertakings drawn up to 31 March each year. No profit and loss account are presented for 2 Excel (Holdings) Limited as permitted by section 408 of the Companies Act 2006.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

When the excess is negative, this is recognised and separately disclosed on the balance sheet as negative goodwill.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the Financial Statements.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

2. ACCOUNTING POLICIES - continued

Judgements and Estimates

The preparation of the Group and Company Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year.

The estimates and associated assumptions are evaluated on an ongoing basis and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements applied and key sources of estimation uncertainty are as follows:

Amounts owed by related companies. The Directors have applied judgement in determining that the amounts owed from related companies 2 Excel Engineering Limited and 21T Limited of £3.3m and £5.5m respectively are considered fully recoverable at the balance sheet date and that therefore no provision against these balances is required. This assessment has been made by reference to expected post balance sheet repayment of these balances, continued trading with the Group and further anticipated investment into these entities.

Recoverability of research and development (R&D) tax credits. The Directors have applied judgement in assessing the recoverability of research and development tax credits at 31 March 2022, and also therefore in determining the extent of tax credit to recognise in the profit and loss account. This is based on the Directors' assessment of the nature and validity of the claims. No R&D claim has been recognised in relation to the financial year to 31 March 2021 & 31 March 2022 as the Directors consider there to be insufficient certainty over quantum.

Deferred tax. The Directors have considered the overall deferred tax position of the Group at both 31 March 2021 and 31 March 2022 and have concluded that there are sufficient deferred tax assets available in the form of tax losses and unrecognised R&D claims to offset deferred tax liabilities arising on fixed asset timing differences.

Carrying value of intangible assets. The Directors have considered the future net operating cash flows that will be generated from the development costs intangible assets. They have determined that amounts reflected in carrying value at 31 March 2022 represent assets that will be fully recovered from future cash flows. The Directors do not therefore consider that any impairment provisions are required.

Going concern. The Directors have applied judgement in forming their assessment that the Group and Parent Company are a going concern. Details of the key matters considered, and the judgements and estimates applied are given earlier in note 2.

Reclassification. Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of financial position, statements of cash flows and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation. This reclassification has no impact on previously reported net current assets, net assets, profit or loss or net cash flows.

The items were reclassified as follows:

	Previously Reported 2021 £	As reclassified 2021 £
Trade debtors	1,874,799	1,107,054
Accrual and deferred income	2,173,965	1,406,220

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

2. ACCOUNTING POLICIES - continued

Investment in subsidiaries

The consolidated Financial Statements incorporate the Financial Statements of the company and entities (including special purpose entities) controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual Financial Statements.

Investment in associates and joint ventures

Investments in associates and joint ventures are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the Group's share of total comprehensive income and equity of the associate, less any impairment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate or joint venture. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight-line method. Losses in excess of the carrying amount of an investment in an associate or joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate or joint venture.

Investments in associates and joint ventures are accounted for at cost less impairment in the individual Financial Statements.

Revenue

Revenue represents the total invoice value, excluding value added tax, of sales made during the year. Revenue is recognised at the point the company has transferred to the buyer the significant risks and rewards, the amount of the turnover can be measured reliably, and it is probable the economic benefits associated with the transactions will flow to the company.

Revenue related to contracts with the customers are recognised in accordance with the stage of completion of the contract. Revenue on contracts with customers comprises of the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is agreed with the customer.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and business, representing any excess of fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is five years.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Patents and licences

Patents and licences are included at cost and amortised over a period of 10 years which is its estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Leasehold	- Over the life of the lease
Aircraft	- 10% on a reducing balance method or 6-10% on a straight line
Aircraft equipment	- 20% on a reducing balance method or 10-20% on a straight line
Fixtures, fittings & equipment	- 10%/20% on a reducing balance method
Office Equipment	- 33.33% on a reducing balance method
Motor vehicles	- 25% on a straight line

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

2. ACCOUNTING POLICIES - continued

Stocks

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax is tax payable or refundable in respect of the taxable profit or tax loss for the current period or past reporting periods.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Research and development

Research is written off in the same year in which it is incurred.

Development expenditure is written off in the same year unless the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Development costs are amortised over 5 years

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Research & Development Tax credit is recognised as a grant that becomes receivable as compensation for expenses or losses already incurred shall be recognised in income in the period in which it becomes receivable.

Pension costs and other post-retirement benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

2. ACCOUNTING POLICIES - continued

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. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares 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.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

2. ACCOUNTING POLICIES - continued

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 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.

Equity instruments

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

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	9,991,901	8,108,578
Redundancy	-	1,023
Social security costs	1,198,440	974,026
Other pension costs	<u>870,310</u>	<u>783,038</u>
	<u>12,060,651</u>	<u>9,866,665</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and Directors. The assets of the scheme are administered by an independent pensions provider. Pension payments recognised as an expense during the year amounted to £870,310 (2021 : £783,038).

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

	2022	2021
Management	4	4
Operations and administration	<u>239</u>	<u>212</u>
	<u>243</u>	<u>216</u>

	2022	2021
	£	£
Directors' remuneration	<u>606,392</u>	<u>605,293</u>

Information regarding the highest paid Director is as follows:

	2022	2021
	£	£
Emoluments	250,000	250,000
Company contributions to pension plans in respect of qualifying services	<u>-</u>	<u>-</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2022	2021
Defined contribution plans	<u>1</u>	<u>1</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Other operating leases	640,189	639,786
Depreciation - owned assets	2,645,644	2,459,096
(Profit)/Loss on disposal of fixed assets	-	(16,333)
Goodwill amortisation	232,380	232,380
Negative Goodwill Amortisation	(154,930)	(154,930)
Patents and licences amortisation	13,168	13,168
Development costs amortisation	766,690	509,199
Auditors' remuneration	40,000	40,000
Foreign exchange differences	<u>(2,644)</u>	<u>54,417</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Loan interest	<u>3,515,134</u>	<u>1,901,332</u>
	<u>3,515,134</u>	<u>1,901,332</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit/(loss) for the year was as follows:

	2022 £	2021 £
Current tax:		
UK corporation tax	81,926	(519,728)
Overseas tax	-	-
	<u>81,926</u>	<u>(519,728)</u>
Tax on profit/(loss)	<u>81,926</u>	<u>(519,728)</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit/(Loss) before tax	<u>2,645,475</u>	<u>(771,224)</u>
Profit/(Loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	502,640	(146,533)
Effects of:		
Expenses not deductible for tax purposes	27,093	448
Other permanent differences	1,523	-
Additional deduction for R&D expenditure	(1,164,143)	-
Depreciation in excess of capital allowances	(168,267)	193,354
Movement in deferred tax not recognised	852,373	-
R&D expenditure credits	30,707	(563,894)
Overseas tax adjustments	-	-
Sale of fixed assets	-	(3,103)
	<u>81,926</u>	<u>(519,728)</u>
Total tax charge/(credit)	<u>81,926</u>	<u>(519,728)</u>

The Group has unrelieved tax losses. No deferred tax asset has been recognised in respect of these losses. There is uncertainty over timing of available future profits for offset against deferred tax liabilities from fixed asset timing differences.

Factors that may affect future tax charge

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these Financial Statements.

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Negative Goodwill	Patents and Licences	Development Costs	Total
	£	£	£	£	£
COST					
At 1 April 2021	1,161,901	(774,652)	131,678	6,294,778	6,813,705
Additions	-	-	-	-	-
At 31 March 2022	1,161,901	(774,652)	131,678	6,294,778	6,813,705
AMORTISATION					
At 1 April 2021	914,292	(154,930)	92,176	2,052,042	2,903,580
Amortisation for the year	232,380	(154,930)	13,168	766,690	857,308
At 31 March 2022	1,146,672	(309,860)	105,344	2,818,732	3,760,888
NET BOOK VALUE					
At 31 March 2022	15,229	(464,792)	26,334	3,476,046	3,052,817
At 31 March 2021	247,609	(619,722)	39,502	4,242,736	3,910,125

The Directors have assessed the recoverability of the development costs intangibles by reference to expected future cash flows that will be generated from these live projects and have determined that no impairment is required at 31 March 2022.

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Short leasehold £	Aircraft £	Aircraft equipment £
COST			
At 1 April 2021	166,312	12,783,720	26,192,007
Additions	28,274	2,427,657	3,071,516
At 31 March 2022	194,586	15,211,377	29,263,523
DEPRECIATION			
At 1 April 2021	90,708	6,004,166	12,543,608
Charge for year	18,929	532,533	2,001,455
At 31 March 2022	109,637	6,536,699	14,545,063
NET BOOK VALUE			
At 31 March 2022	84,949	8,674,678	14,718,460
At 31 March 2021	75,604	6,779,554	13,648,399

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

9. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Fixtures, fittings & equipments £	Office & flight simulator £	Motor vehicles £	Totals £
COST				
At 1 April 2021	426,304	643,040	27,779	40,239,162
Additions	27,962	67,981	-	5,623,390
At 31 March 2022	454,266	711,021	27,779	45,862,552
DEPRECIATION				
At 1 April 2021	199,715	516,746	17,715	19,372,658
Charge for year	34,355	52,205	6,167	2,645,644
At 31 March 2022	234,070	568,951	23,882	22,018,302
NET BOOK VALUE				
At 31 March 2022	220,196	142,070	3,897	23,844,250
At 31 March 2021	226,589	126,294	10,064	20,866,504

10. FIXED ASSET INVESTMENTS

Group

	Interest in associate £
COST	
At 1 April 2021	112,036
Share of profit	16,636
At 31 March 2022	128,672
NET BOOK VALUE	
At 31 March 2022	128,672
At 31 March 2021	112,036

Company

	Shares in Group undertakings £
COST	
At 1 April 2021 and 31 March 2022	420
NET BOOK VALUE	
At 31 March 2022	420
At 31 March 2021	420

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

10. FIXED ASSET INVESTMENTS – continued

Subsidiaries

T2 Aviation Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Oil spill response

	% holding	2022	2021
Class of shares:		£	£
Ordinary	62.50	(129,814)	(899,392)
Aggregate capital and reserves		<u>735,594</u>	<u>803,855</u>
Profit for the year			

GCP Aviation Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00	(283,750)	(407,360)
Aggregate capital and reserves		<u>123,511</u>	<u>(99,038)</u>
Profit/(Loss) for the year			

2 Excel Management Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Business support service

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00	(61,940)	(310,645)
Aggregate capital and reserves		<u>248,706</u>	<u>(35,537)</u>
Profit/(Loss) for the year			

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

10. FIXED ASSET INVESTMENTS - continued

2 Excel Aviation Training APS

Registered office: Denmark

Nature of business: Training organisation

	% holding		
Class of shares:	100.00		
Ordinary		2022	2021
		£	£
Aggregate capital and reserves		10,071	10,071
Profit for the year		<u>-</u>	<u>1,056</u>

ACH (Witham) Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft

	% holding		
Class of shares:	100.00		
Ordinary		2022	2021
		£	£
Aggregate capital and reserves		416,445	219,490
Profit for the year		<u>196,957</u>	<u>100,957</u>

ACH London Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft and equipment

	% holding		
Class of shares:	100.00		
Ordinary		2022	2021
		£	£
Aggregate capital and reserves		1,010,497	499,518
Profit for the year		<u>510,979</u>	<u>218,648</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

10. FIXED ASSET INVESTMENTS - continued

ACH Excalibur Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Lease of aircraft and equipment

Class of shares:	% holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		(56,696)	(58,291)
Profit/(Loss) for the period		<u>1,595</u>	<u>(58,711)</u>

2 Excel Leading Edge Limited

Registered office: The Tiger House, Sywell Aerodrome, Sywell, Northampton NN6 0BN - UK

Nature of business: Dormant

Class of shares:	% holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

2 Excel Geo Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Data exploitation

Class of shares:	% holding		
Ordinary shares	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		(2,676)	(1,629)
Loss for the year		<u>(1,047)</u>	<u>(502)</u>

2 Excel Design Limited

Registered office: 72 Fielding Road, London W4 1DB - UK

Nature of business: Design organisation approval

Class of shares:	% holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		(342,630)	(410,462)
Loss for the year		<u>67,832</u>	<u>(13,313)</u>

2 Excel Aviation Limited

Registered office: The Tiger House, Sywell Aerodrome, Sywell, Northampton NN6 0BN - UK

Nature of business: Aviation services

Class of shares:	% holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		10,929,560	10,223,180
Profit for the year		<u>706,380</u>	<u>(883,692)</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

10. FIXED ASSET INVESTMENTS - continued

The below listed subsidiary companies are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts as the parent company 2 Excel (Holdings) Limited issued a parental guarantee to the above entities on 28/09/2022 in relation to the year ended 31 March 2022, which permits them to take the exemption under S479A of the Companies Act 2006.

2 Excel (Holdings) Limited guarantees all outstanding liabilities of these companies as at 31 March 2022, until they are satisfied in full.

- 2 Excel Aviation Limited (Company number 05391365)
- 2 Excel Management Limited (Company number 08503399)
- 2 Excel Design Limited (Company number 05576452)
- 2 Excel Leading Edge Limited (Company number 08154032)
- 2 Excel Geo Limited (Company number 11424191)
- T2 Aviation Limited (Company number 07615313)
- GCP Aviation Limited (Company number 10232812)
- ACH London Limited (Company number 10586808)
- ACH Excalibur Limited (Company number 12244287)
- ACH (Witham) Limited (Company number 11435006)

11. STOCKS

	Group	
	2022	2021
	£	£
Finished goods	<u>2,500</u>	<u>2,500</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	4,909,965	1,107,054	-	-
Amounts owed by associates	4,715,946	4,596,863	-	-
Other debtors	4,008,523	3,554,668	840	840
Tax	-	640,565	-	-
Prepayments and accrued income	2,344,649	2,628,251	-	-
	<u>15,979,083</u>	<u>12,527,401</u>	<u>840</u>	<u>840</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Loans and overdrafts (see note 15)	492,126	-	-	-
Trade creditors	1,676,854	1,906,020	-	-
Tax	81,926	229	-	-
Social security and other taxes	910,940	1,602,346	-	-
VAT	1,689,762	2,238,068	-	-
Other creditors	122,180	470,558	420	420
Accruals and deferred income	2,122,835	1,406,220	-	-
	<u>7,096,623</u>	<u>7,623,441</u>	<u>420</u>	<u>420</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2022	2021
	£	£
Loans (see note 15)	26,743,997	25,085,395
	<u>26,743,997</u>	<u>25,085,395</u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Loans	492,126	-
	<u>492,126</u>	<u>-</u>
Amounts falling due between two and five years:		
Loans - 2-5 years	26,743,997	25,085,395
	<u>26,743,997</u>	<u>25,085,395</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Non-cancellable operating leases	
	2022 £	2021 £
Within one year	514,425	387,577
Between one and five years	1,639,412	1,752,398
In more than five years	<u>146,250</u>	<u>133,607</u>
	<u>2,300,087</u>	<u>2,273,582</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

Group	2022 £	2021 £
	2022 £	2021 £
Loans	<u>27,236,123</u>	<u>25,085,395</u>
	<u>27,236,123</u>	<u>25,085,395</u>

The loan facility provider has a fixed and floating charge over all the assets of the Group. The loan is repayable on 21 January 2026. The cash interest on the loan is 7% per annum.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022 £	2021 £
Number:	Class:		£	£
84,000,000	Ordinary	0.00001	<u>840</u>	<u>840</u>

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company.

19. RESERVES

Group	Retained earnings £	Merger reserve £	Totals £
At 1 April 2021	8,059,070	471,700	8,530,770
Profit for the year	<u>2,287,701</u>		<u>2,287,701</u>
At 31 March 2022	<u>10,346,771</u>	<u>471,700</u>	<u>10,818,471</u>

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

19. RESERVES - continued

Company

	Retained earnings £
At 1 April 2021	-
Profit for the year	-
At 31 March 2022	-

20. PENSION COMMITMENTS

Contributions to the defined pension scheme totalling £77,453 (2021 : £60,738) were payable to the fund at the reporting date.

21. CONTINGENT LIABILITIES

As at 31 March 2022, the Group had no contingent liabilities (2021 : £nil)

22. CAPITAL COMMITMENTS

The Group had no capital commitments for the year ended 31 March 2022 (2021 : £595,000).

23. NON-CONTROLLING INTERESTS

Non-controlling interests represent interest of minority shareholders in T2 Aviation Limited. The profit and year end balance relating to the non-controlling interest are reflected in the consolidated income statement and consolidated balance sheet respectively.

24. RELATED PARTY DISCLOSURES

3XL Aviation Limited

3XL Aviation is a company in which C Norton is a Director. 2Excel Aviation Limited invoiced 3XL Aviation for services amounting to £527,033 (2021: £309,828). 3XL Aviation Limited owed £6,722 as at 31 March 2022 (2021: £67,711).

Heathmatic Limited

Heathmatic Limited is a company in which H Singh, a Director of the company, is the sole shareholder. The Company was invoiced by Heathmatic Ltd £125,000 (2021 - £125,000) for Director fees. There was no outstanding balance as of 31 March 2022 (or 2021).

Blades Racing Team Limited

Blades Racing Team Limited (BRT) is a company in which the Company owns 50% of its shareholding and A Offer is also a Director. As at 31 March 2022, BRT owed £2,280 (2021: the Company owed £57,322). In the year, 2Excel Aviation Limited invoiced BRT the amount of £2,372 (2021: £0).

Ampa Limited

Ampa Limited is a company in which H Singh, a Director of the company, is the sole shareholder. The Company was invoiced by Ampa Ltd £593,040 (2021 - Nil) for leasing fees. The outstanding balance as of 31 March 2022 was £237,216 (2021 - Nil).

21T Limited

21T Limited is a company in which the Company owns 33.33% of its shareholding and A Offer is also a Director. As at 31 March 2022, the Company has a balance receivable of £5,495,316 (2021: £5,758,806) due from 21T Limited. 2Excel Aviation Limited invoiced 21T Limited the amount of £4,919,860 (2021: £3,193,644). During the year, the loan to 21T Limited increased to £4,711,503 (2021: £4,532,819).

2 EXCEL (HOLDINGS) LIMITED (REGISTERED NUMBER: 10656583)

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

24. RELATED PARTY DISCLOSURES - continued

2Excel Engineering Limited

2 Excel Engineering Limited (2EE) is a company in which C Norton is a Director. The company was invoiced £1,766,012 (2021: £1,512,259) for services delivered by 2EE and the company invoiced £241,873 (2021: £195,750) for services it delivered to 2EE. On 31 March 2022, the Company is owed by 2EE £3,265,475 (2021: £2,937,383). During the year, 2EE paid £0 (2021: £10,786) to 2 Excel Aviation Limited towards its loan. The balance outstanding as at 31 March 2022 is £3,077,825 (2021: £3,077,825).

Loans to associates are unsecured and interest free.

Management

All Directors have the authority and responsibility for planning, directing and controlling the activities of the company together with the board of management (13 individuals - £1,350,975) (2021: 15 - £1,494,586). All these staff are considered to be key management.

25. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

26. RESERVES

Retained Earnings

Retained earnings include all current and prior period retained profits.

Merger reserve

The merger reserve was created following a Group restructure that was completed on 2 June 2017.

27. POST BALANCE SHEET EVENT

There are no post balance sheet events requiring disclosures as at the date of approval of these Financial Statements.