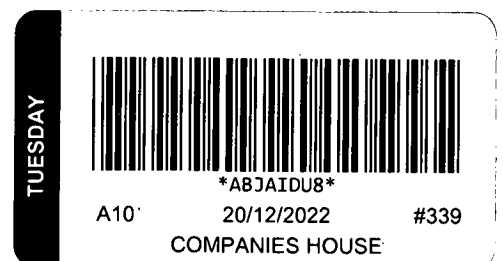


Company registration number 01331504 (England and Wales)

UNILATHE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022



UNILATHE LIMITED

COMPANY INFORMATION

Directors	Mr E Sims Mr A Sims Mrs J E Sims Mr M Oakley Mr D Chetwyn Mr A J White
Secretary	Mrs E White
Company number	01331504
Registered office	Ford Green Business Park Ford Green Road Smallthorne Stoke on Trent Staffordshire ST6 1NG
Auditor	WCCA Limited 2-6 Adventure Place Hanley Stoke on Trent Staffordshire ST1 3AF
Bankers	HSBC Bank Plc Crown Bank Hanley Stoke on Trent Staffordshire ST1 1DA

UNILATHE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of income and retained earnings	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 23

UNILATHE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The directors present the strategic report for the year ended 30 April 2022.

Fair review of the business

After the earlier impact of the Covid-19 pandemic, this year saw economic turbulence as a result of a global economic crisis, leading to tightening financial conditions and the start of a war in the Ukraine which acerbated the entire situation. Trying to achieve trading stability within this environment was always going to be a challenge but, as a result of the work undertaken during the preceding years, the company made some significant strides.

With the benefit of significant previous investment in modern technology, a major new customer coming on board and a stable workforce, the company was able confound the prevailing trend by increasing turnover and profitability.

Principal risks and uncertainties

The recruitment of skilled labour is a significant limiting factor for the business, whereas we do enjoy a stable and committed workforce which consistently adapts to the demands of our customers. We rely on our own apprenticeship scheme to attract and train our future workforce and, together with our commitment to training right across the business, we are equipped for additional customer demand.

Key performance indicators

Our customers constantly assess us in terms of safety, quality, cost, delivery and people and we maintain strict measurement of these aspects which are all the ingredients of a successful and efficient enterprise in our sector. Added to the key financial criteria of margin control, liquidity and gearing ratios these make up the majority of our monitoring focus in ensuring that the business progresses satisfactorily.

By order of the board



Mrs E White

Secretary

Date: 12/12/22

UNILATHE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2022

The directors present their annual report and financial statements for the year ended 30 April 2022.

Principal activities

The principal activity of the company continued to be that of general sub-contract engineers.

Review of the business

After two extremely demanding years for every community, few expected the pandemic to be quickly followed by one of the most turbulent economic periods in living memory. This has inevitably placed significant demands on management where both determination and agility have been required. Early and decisive action over the course of the pandemic however, coupled with the commitment and resolve of all employees, has enabled the company to produce the best financial performance for 10 years.

Investment is essential for a healthy future and we remain firmly committed to continual investment in both technology and people and indeed investment has increased during the year being reviewed. Efficiency improvements have been achieved as a result and this has led to turnover growth of 36%, principally by supplying into major OEMs which demand quality and on-time delivery.

Being responsive to customer demand has become part of our developing culture whilst people are at the heart of everything we do. The best interests and welfare of our staff are fundamental to our on-going development and we take pride in their loyalty and commitment for which we thank them. The family remain totally committed to the business and maintain the core principles of hard work and entrepreneurship, qualities which continue to sustain the business.

The omens for the business are positive and whilst wider complex geopolitical and economic issues remain and will present challenges, we remain optimistic for the future. The relationships with our core customers provide the springboard for such optimism and our commitment to ongoing research and development support the vision for continued growth.

Results and dividends

The results for the year are set out on page 8.

The directors do not recommend payment of a final dividend.

Directors

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

Mr E Sims
Mr A Sims
Mrs J E Sims
Mr M Oakley
Mr D Chetwyn
Mr A J White

Future developments

The business continues to invest in state-of-the-art technology in order to maintain its reputation for quality production in line with the numerous industry and customer accreditations which it holds. It has an enviable reputation which has been further enhanced this year through its responsiveness and commitment to quality and efficiency. This all makes for a particularly exciting future.

UNILATHE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

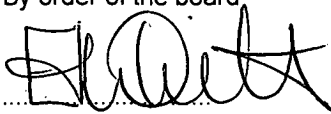
Auditor

In accordance with the company's articles, a resolution proposing that WCCA Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

By order of the board



Mrs E White
Secretary

Date: 12/12/22

UNILATHE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2022

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

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

- select suitable accounting policies and then apply them consistently;
- make 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

UNILATHE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNILATHE LIMITED

Opinion

We have audited the financial statements of Unilathe Limited (the 'company') for the year ended 30 April 2022 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

UNILATHE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UNILATHE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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.

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

Extent to which the audit was considered capable of detecting irregularities included fraud

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, including fraud. We made enquiries of management of their own assessment of risk and fraud.

We ensured that the engagement team had the appropriate competence, capabilities and skills to identify non-compliance with laws and regulations and to identify indications of fraud.

We identified laws and regulations applicable to the company through discussions directors and management and focused on specific laws which we considered may have a direct material effect on the financial such as financial reporting requirements including the Companies Act 2006 and United Kingdom Accounting Standards, taxation legislation, data protection regulations, employment law and health and safety regulations.

We assessed the extent of compliance with the laws and regulations by making enquires of management and reviewing invoices for legal and professional fees.

We assessed the susceptibility of the financial statements to material misstatements, including obtaining an understanding of how fraud might occur by making enquiries of management as to where they considered there was a susceptibility to fraud and their knowledge of any suspected, alleged or actual fraud.

We considered the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

UNILATHE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UNILATHE LIMITED

Audit response to the risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries posted during the year and at the year end to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- performed substantive procedures such as walkthrough tests on major transaction cycles including sales, purchase and payroll.

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

- agreeing financial disclosures to underlying supporting documents;
- enquiring of management as to any actual or potential litigation;
- reviewing correspondence with HM Revenue and Customs; and
- reviewing legal and professional costs incurred during the year to identify any indicators of non-compliance with laws and regulations.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

WCCA Limited

Mr David Bould FCCA
Senior Statutory Auditor
For and on behalf of WCCA Limited

Date: 15.12.2022

Chartered Certified Accountants
Statutory Auditor

2-6 Adventure Place
Hanley
Stoke on Trent
Staffordshire
ST1 3AF

UNILATHE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
Turnover	3	9,115,809	6,705,247
Cost of sales		(6,695,136)	(4,683,429)
Gross profit		2,420,673	2,021,818
Administrative expenses		(2,286,683)	(1,984,482)
Other operating income		118,380	249,287
Operating profit	4	252,370	286,623
Interest receivable and similar income	7	6	10
Interest payable and similar expenses	8	(51,112)	(95,767)
Profit before taxation		201,264	190,866
Tax on profit	9	162,118	90,660
Profit for the financial year		363,382	281,526
Retained earnings brought forward		2,408,703	2,172,733
Dividends	10	-	(45,556)
Retained earnings carried forward		2,772,085	2,408,703

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

UNILATHE LIMITED

BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		4,045,078		3,127,577
Current assets					
Stocks	12	889,686		841,512	
Debtors	13	2,944,699		2,084,288	
Cash at bank and in hand		135,680		76,481	
		<u>3,970,065</u>		<u>3,002,281</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts	15	1,397,028		780,950	
Obligations under finance leases	16	476,154		308,618	
Taxation and social security		396,613		374,027	
Other creditors	17	1,135,669		846,607	
Government grants	19	2,842		3,157	
Accruals and deferred income		109,717		106,623	
		<u>3,518,023</u>		<u>2,419,982</u>	
Net current assets			452,042		582,299
Total assets less current liabilities			4,497,120		3,709,876
Creditors: amounts falling due after more than one year					
	14		(1,344,568)		(1,006,919)
Provisions for liabilities					
Deferred tax liability	18	380,367		294,154	
		<u>(380,367)</u>		<u>(294,154)</u>	
Net assets			2,772,185		2,408,803
Capital and reserves					
Called up share capital	21		100		100
Profit and loss reserves			2,772,085		2,408,703
Total equity			2,772,185		2,408,803

The financial statements were approved by the board of directors and authorised for issue on 12/12/2022 and are signed on its behalf by:


 Mr E Sims
 Director

Company Registration No. 01331504

UNILATHE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24		150,956		515,290
Interest paid			(51,112)		(95,767)
Income taxes refunded			248,331		201,820
			<u> </u>		<u> </u>
Net cash inflow from operating activities			348,175		621,343
Investing activities					
Purchase of tangible fixed assets		(1,307,685)		(848,040)	
Repayment of loans		(105,624)		-	
Interest received		6		10	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(1,413,303)		(848,030)
Financing activities					
Repayment of bank loans		(37,500)		250,000	
Payment of finance leases obligations		545,749		115,868	
Dividends paid		-		(45,556)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			508,249		320,312
Net (decrease)/increase in cash and cash equivalents			(556,879)		93,625
Cash and cash equivalents at beginning of year			<u>(666,969)</u>		<u>(760,594)</u>
Cash and cash equivalents at end of year			<u>(1,223,848)</u>		<u>(666,969)</u>
Relating to:					
Cash at bank and in hand			135,680		76,481
Bank overdrafts included in creditors payable within one year			<u>(1,359,528)</u>		<u>(743,450)</u>

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Company information

Unilathe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ford Green Business Park, Ford Green Road, Smallthorne, Stoke on Trent, Staffordshire, ST6 1NG.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 Tangible fixed assets

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

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

Leasehold buildings improvements	Over the period of the lease
Plant and machinery	10% per annum reducing balance
Office equipment	15% per annum reducing balance
Motor vehicles	25% per annum reducing balance
Tooling and fixturing	5 years straight line

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

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

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

1.8 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 balance sheet 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.

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 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 into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.12 Employee benefits

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

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

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

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

1.13 Retirement benefits

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

1.14 Leases

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

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

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

1.15 Government grants

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

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

1.16 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Sales of goods	9,115,809	6,705,247

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

3 Turnover and other revenue		(Continued)	
	2022	2021	
	£	£	
Turnover analysed by geographical market			
UK sales	9,104,429	6,705,247	
EC Sales	11,380	-	
	<u>9,115,809</u>	<u>6,705,247</u>	
	2022	2021	
	£	£	
Other revenue			
Interest income	6	10	
Grants received	118,380	249,287	
	<u>118,380</u>	<u>249,287</u>	
4 Operating profit		2022	2021
		£	£
Operating profit for the year is stated after charging/(crediting):			
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,648	(743)	
Government grants	(118,380)	(249,287)	
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	15,000	
Depreciation of owned tangible fixed assets	390,184	293,333	
Operating lease charges	257,988	248,038	
	<u>257,988</u>	<u>248,038</u>	
5 Employees		2022	2021
		Number	Number
The average monthly number of persons (including directors) employed by the company during the year was:			
Production staff	90	81	
Directors	6	6	
Office, administration and management	4	4	
	<u>100</u>	<u>91</u>	
Total	<u>100</u>	<u>91</u>	

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,372,747	3,048,472
Social security costs	345,247	307,448
Pension costs	113,874	90,783
	<u>3,831,868</u>	<u>3,446,703</u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	309,461	294,306
Company pension contributions to defined contribution schemes	25,000	2,500
	<u>334,461</u>	<u>296,806</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	<u>75,400</u>	<u>63,958</u>

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	<u>6</u>	<u>10</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>6</u>	<u>10</u>
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UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

8	Interest payable and similar expenses	2022 £	2021 £
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	9,937	7,669
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	41,175	88,098
		<u>51,112</u>	<u>95,767</u>
		<u><u>51,112</u></u>	<u><u>95,767</u></u>
9	Taxation	2022 £	2021 £
	Current tax		
	Adjustments in respect of prior periods	(248,331)	(201,821)
		<u>(248,331)</u>	<u>(201,821)</u>
	Deferred tax		
	Origination and reversal of timing differences	86,213	89,632
	Changes in tax rates	-	21,529
		<u>86,213</u>	<u>111,161</u>
	Total deferred tax	<u>86,213</u>	<u>111,161</u>
		<u><u>86,213</u></u>	<u><u>111,161</u></u>
	Total tax credit	<u>(162,118)</u>	<u>(90,660)</u>
		<u><u>(162,118)</u></u>	<u><u>(90,660)</u></u>

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

	2022 £	2021 £
Profit before taxation	<u>201,264</u>	<u>190,866</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	38,240	36,265
Tax effect of expenses that are not deductible in determining taxable profit	74,707	56,145
Tax effect of income not taxable in determining taxable profit	(642)	(667)
Unutilised tax losses carried forward	225,797	88,049
Adjustments in respect of prior years	(248,331)	(201,821)
Permanent capital allowances in excess of depreciation	(251,889)	(68,631)
	<u>(162,118)</u>	<u>(90,660)</u>
Taxation credit for the year	<u><u>(162,118)</u></u>	<u><u>(90,660)</u></u>

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

10 Dividends

	2022 £	2021 £
Interim paid	-	45,556

11 Tangible fixed assets

	Leasehold buildings improvements £	Plant and machinery £	Office equipment £	Motor vehicles £	Tooling and fixturing £	Total £
Cost						
At 1 May 2021	329,047	9,131,536	174,125	110,779	-	9,745,487
Additions	12,182	1,157,964	5,862	-	131,677	1,307,685
Disposals	(88,215)	-	-	-	-	(88,215)
At 30 April 2022	253,014	10,289,500	179,987	110,779	131,677	10,964,957
Depreciation and impairment						
At 1 May 2021	278,451	6,084,861	158,991	95,607	-	6,617,910
Depreciation charged in the year	6,794	345,392	10,615	3,790	23,593	390,184
Eliminated in respect of disposals	(88,215)	-	-	-	-	(88,215)
At 30 April 2022	197,030	6,430,253	169,606	99,397	23,593	6,919,879
Carrying amount						
At 30 April 2022	55,984	3,859,247	10,381	11,382	108,084	4,045,078
At 30 April 2021	50,596	3,046,675	15,134	15,172	-	3,127,577

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	889,686	841,512

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,559,022	1,915,412
Other debtors	205,944	-
Prepayments and accrued income	179,733	168,876
	2,944,699	2,084,288

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	175,000	212,500
Obligations under finance leases	16	1,144,218	766,005
Government grants	19	25,350	28,414
		<u>1,344,568</u>	<u>1,006,919</u>

The long-term loans and hire purchases are secured by fixed charges over the assets of the company.

15 Loans and overdrafts

	2022 £	2021 £
Bank loans	212,500	250,000
Bank overdrafts	1,359,528	743,450
	<u>1,572,028</u>	<u>993,450</u>
Payable within one year	1,397,028	780,950
Payable after one year	175,000	212,500
	<u>1,572,028</u>	<u>993,450</u>

The long-term loans and hire purchases are secured by fixed charges over the assets of the company.

16 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	513,925	339,702
In two to five years	1,226,476	806,525
	<u>1,740,401</u>	<u>1,146,227</u>
Less: future finance charges	(120,029)	(71,604)
	<u>1,620,372</u>	<u>1,074,623</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

17 Other creditors falling due within one year

	2022 £	2021 £
Trade creditors	999,435	846,147
Other creditors	136,234	460
	<u>1,135,669</u>	<u>846,607</u>

18 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	670,251	363,124
Tax losses	(289,884)	(68,970)
	<u>380,367</u>	<u>294,154</u>
		2022 £
Movements in the year:		
Liability at 1 May 2021		294,154
Charge to profit or loss		86,213
		<u>380,367</u>
Liability at 30 April 2022		<u>380,367</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Government grants

	2022 £	2021 £
Arising from government grants	28,192	31,571
	<u>28,192</u>	<u>31,571</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	2,842	3,157
Non-current liabilities	25,350	28,414
	<u>28,192</u>	<u>31,571</u>

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	113,874	90,783
	<u> </u>	<u> </u>

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

21 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

22 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	245,674	315,214
Between two and five years	38,157	-
	<u> </u>	<u> </u>
	283,831	315,214
	<u> </u>	<u> </u>

23 Directors' transactions

Dividends totalling £- (2021: £44,848) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	%	Opening	Amounts	Closing
	Rate	balance	advanced	balance
		£	£	£
Directors current accounts	-	-	105,624	105,624
		<u> </u>	<u> </u>	<u> </u>
		-	105,624	105,624
		<u> </u>	<u> </u>	<u> </u>

UNILATHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

24 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	363,382	281,526
Adjustments for:		
Taxation credited	(162,118)	(90,660)
Finance costs	51,112	95,767
Investment income	(6)	(10)
Depreciation and impairment of tangible fixed assets	390,184	293,333
Movements in working capital:		
Increase in stocks	(48,174)	(278,004)
(Increase)/decrease in debtors	(754,787)	15,170
Increase in creditors	314,742	201,669
Decrease in deferred income	(3,379)	(3,501)
Cash generated from operations	<u>150,956</u>	<u>515,290</u>

25 Analysis of changes in net debt

	1 May 2021 £	Cash flows £	30 April 2022 £
Cash at bank and in hand	76,481	59,199	135,680
Bank overdrafts	(743,450)	(616,078)	(1,359,528)
	<u>(666,969)</u>	<u>(556,879)</u>	<u>(1,223,848)</u>
Borrowings excluding overdrafts	(250,000)	37,500	(212,500)
Obligations under finance leases	(1,074,623)	(545,749)	(1,620,372)
	<u>(1,991,592)</u>	<u>(1,065,128)</u>	<u>(3,056,720)</u>