

Company registration number 01331504 (England and Wales)

**UNILATHE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2023**

# UNILATHE LIMITED

## COMPANY INFORMATION

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

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# UNILATHE LIMITED

## CONTENTS

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	<b>Page</b>
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 - 24

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# UNILATHE LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2023**

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The directors present the strategic report for the year ended 30 April 2023.

### **Review of the business**

After the impact of the Covid-19 pandemic and the global economic turbulence which followed, it was good to see some stability return to our market, although this was inevitably impacted by the war in the Ukraine which had a particular affect on energy availability and pricing.

Against this background, the business continued to rationalise its customer base with a concentration on core, strategic customers and a move away from a number of small volume customers which was having an impact on productive efficiency. This policy has paid dividends with key customers increasing their demand on us. Another year of significant investment in new technology has also enabled the business to increase productive capacity, whilst also improving efficiency. This has lead to a significant increase in both turnover and profitability.

### **Principal risks and uncertainties**

The macro-economic climate will always impact this business and an ability to respond to key risks and uncertainties is fundamental. This aspect will always play a key part in strategic considerations. Additionally, the business continues to be dependant on being able to recruit skilled labour in an environment where there is an overall shortage. We are further developing our apprenticeship scheme in an effort to recruit people with the right acumen and then put them through a programme to develop appropriate skills. This is proving worthwhile but as the business expands we still need to recruit additional, capable skilled labour.

### **Key performance indicators**

Customers only increase demands and that trend continues. The areas of assessment continue to concentrate on safety, quality, cost, delivery and people and therefore our strict measurement of these aspects is key to our success. Additionally, the key financial criteria of margin control, liquidity and gearing ratios make up the majority of our monitoring focus as we ensure the future progress of the business.

By order of the board

Mrs E White  
**Secretary**

17 October 2023

# UNILATHE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 APRIL 2023**

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The directors present their annual report and financial statements for the year ended 30 April 2023.

### **Principal activities**

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

### **Review of the business**

Last year we said that investment is essential for a healthy future and this has been borne out through our performance this year. Our customers have demanded more from us resulting in a 39% increase in turnover and, with better margins and the benefits of the earlier investment, this has enabled us to achieve significant profitability. Key to this success has been the relationships developed with our key customers as well as the commitment and loyalty of our staff, all of whom illustrate their determination to continually develop their skills and provide a pre-eminent level of service to those customers. We are indeed most grateful to all of our employees for consistently helping to move the business forward.

The culture of continued development, coupled with those principles of hard work and entrepreneurship, will sustain the business as it grapples with geopolitical and economic uncertainty. Investment in both people and machinery continues to underpin the progress being made, whilst the year has seen the group purchase the premises from which the company trades as a further illustration of its stability and resilience.

We remain optimistic for the future and believe that the business is well structured and capable of continuing to forge ahead. It is well capitalised, liquid and modestly geared, has a young and dynamic management team and is determined to continue the progress of the last year.

### **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.

### **Auditor**

BK Plus Audit Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# UNILATHE LIMITED

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 APRIL 2023*

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### **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**

17 October 2023

## **UNILATHE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2023***

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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

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### Opinion

We have audited the financial statements of Unilathe Limited (the 'company') for the year ended 30 April 2023 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 2023 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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report 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 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

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#### **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.

**David Bould FCCA**  
**Senior Statutory Auditor**  
**For and on behalf of BK Plus Audit Limited**

18 October 2023

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

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

# UNILATHE LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	<b>3</b>	12,689,298	9,115,809
Cost of sales		(8,972,057)	(6,695,136)
<b>Gross profit</b>		<u>3,717,241</u>	<u>2,420,673</u>
Administrative expenses		(2,633,991)	(2,286,683)
Other operating income		3,814	118,380
<b>Operating profit</b>	<b>5</b>	<u>1,087,064</u>	<u>252,370</u>
Interest receivable and similar income	<b>7</b>	231	6
Interest payable and similar expenses	<b>8</b>	(75,016)	(51,112)
<b>Profit before taxation</b>		<u>1,012,279</u>	<u>201,264</u>
Tax on profit	<b>9</b>	(249,738)	162,118
<b>Profit for the financial year</b>		<u>762,541</u>	<u>363,382</u>
Retained earnings brought forward		<u>2,772,085</u>	<u>2,408,703</u>
Retained earnings carried forward		<u><u>3,534,626</u></u>	<u><u>2,772,085</u></u>

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 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		4,560,683		4,045,078
<b>Current assets</b>					
Stocks	11	1,282,496		889,686	
Debtors	12	3,963,669		2,944,699	
Cash at bank and in hand		281,539		135,680	
		<u>5,527,704</u>		<u>3,970,065</u>	
<b>Creditors: amounts falling due within one year</b>					
Loans and overdrafts	14	1,306,150		1,397,028	
Obligations under finance leases	15	530,822		476,154	
Taxation and social security		473,783		396,613	
Other creditors	16	1,690,757		1,135,669	
Government grants	18	2,557		2,842	
Accruals and deferred income		182,310		109,717	
		<u>4,186,379</u>		<u>3,518,023</u>	
<b>Net current assets</b>			1,341,325		452,042
<b>Total assets less current liabilities</b>			5,902,008		4,497,120
<b>Creditors: amounts falling due after more than one year</b>	13		(1,408,181)		(1,344,568)
<b>Provisions for liabilities</b>					
Deferred tax liability	17	959,101		380,367	
		<u>(959,101)</u>		<u>(380,367)</u>	
<b>Net assets</b>			<u>3,534,726</u>		<u>2,772,185</u>
<b>Capital and reserves</b>					
Called up share capital	20		100		100
Profit and loss reserves			3,534,626		2,772,085
<b>Total equity</b>			<u>3,534,726</u>		<u>2,772,185</u>

The financial statements were approved by the board of directors and authorised for issue on 17 October 2023 and are signed on its behalf by:

Mr A Sims  
Director

Company Registration No. 01331504

# UNILATHE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2023

		2023		2022	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		873,253		150,956
Interest paid			(75,016)		(51,112)
Income taxes refunded			328,996		248,331
			<u>1,127,233</u>		<u>348,175</u>
<b>Net cash inflow from operating activities</b>					
<b>Investing activities</b>					
Purchase of tangible fixed assets		(393,722)		(1,307,685)	
Proceeds from disposal of tangible fixed assets		66,512		-	
Repayment of loans		(34,501)		(105,624)	
Interest received		231		6	
		<u>(393,480)</u>		<u>(1,412,299)</u>	
<b>Net cash used in investing activities</b>					
<b>Financing activities</b>					
Proceeds from new bank loans		1,256,150		-	
Repayment of bank loans		(50,000)		(37,500)	
Payment of finance leases obligations		(466,516)		545,749	
		<u>(260,366)</u>		<u>508,249</u>	
<b>Net cash generated from financing activities</b>					
			<u>739,634</u>		<u>508,249</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>					
			1,505,387		(556,879)
Cash and cash equivalents at beginning of year			(1,223,848)		(666,969)
			<u>281,539</u>		<u>(1,223,848)</u>
<b>Cash and cash equivalents at end of year</b>					
<b>Relating to:</b>					
Cash at bank and in hand			281,539		135,680
Bank overdrafts included in creditors payable within one year			-		(1,359,528)
			<u>281,539</u>		<u>(1,223,848)</u>

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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### 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, United Kingdom, 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Unilathe Limited is a wholly owned subsidiary of Unilathe Holdings Limited and the results of Unilathe Limited are included in the consolidated financial statements of Unilathe Holdings Limited which are available from Ford Green Business Park, Ford Green, Smallthorne, Stoke on Trent, Staffordshire, ST6 1NG.

#### 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.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

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.

#### 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.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### 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.

##### **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.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

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### 1 Accounting policies

(Continued)

#### *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.

#### 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.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 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:

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Sales of goods	12,689,299	9,115,809
	<u>12,689,299</u>	<u>9,115,809</u>
<b>Analysis per statutory database</b>	<b>12,689,299</b>	<b>9,115,809</b>
<i>Statutory database analysis does not agree to the trial balance by:</i>	1	-
	<b>2023</b>	<b>2022</b>
	£	£
<b>Turnover analysed by geographical market</b>		
UK sales	12,672,698	9,104,429
EC Sales	16,601	11,380
	<u>12,689,299</u>	<u>9,115,809</u>
<b>Analysis per statutory database</b>	<b>12,689,299</b>	<b>9,115,809</b>
<i>Statutory database analysis does not agree to the trial balance by:</i>	1	-
	<b>2023</b>	<b>2022</b>
	£	£
<b>Other revenue</b>		
Interest income	231	6
Grants received	3,814	118,380
	<u>3,814</u>	<u>118,380</u>

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 4 Employees

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

	2023 Number	2022 Number
Production staff	98	90
Directors	6	6
Office, administration and management	4	4
Total	<u>108</u>	<u>100</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	4,067,094	3,372,747
Social security costs	431,958	345,247
Pension costs	129,584	113,874
	<u>4,628,636</u>	<u>3,831,868</u>

### 5 Operating profit

	2023 £	2022 £
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	22,850	2,648
Government grants	(3,814)	(118,380)
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	458,631	390,184
Loss on disposal of tangible fixed assets	3,676	-
Operating lease charges	253,883	257,988
	<u>253,883</u>	<u>257,988</u>

### 6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	340,297	309,461
Company pension contributions to defined contribution schemes	30,000	25,000
	<u>370,297</u>	<u>334,461</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 4).

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

6 Directors' remuneration		(Continued)	
Remuneration disclosed above include the following amounts paid to the highest paid director:			
	2023	2022	
	£	£	
Remuneration for qualifying services	80,656	75,400	
	<u>          </u>	<u>          </u>	
7 Interest receivable and similar income			
	2023	2022	
	£	£	
<b>Interest income</b>			
Interest on bank deposits	231	6	
	<u>          </u>	<u>          </u>	
	2023	2022	
	£	£	
Investment income includes the following:			
Interest on financial assets not measured at fair value through profit or loss	231	6	
	<u>          </u>	<u>          </u>	
8 Interest payable and similar expenses			
	2023	2022	
	£	£	
<b>Interest on financial liabilities measured at amortised cost:</b>			
Interest on bank overdrafts and loans	15,233	9,937	
<b>Other finance costs:</b>			
Interest on finance leases and hire purchase contracts	59,783	41,175	
	<u>          </u>	<u>          </u>	
	75,016	51,112	
	<u>          </u>	<u>          </u>	
9 Taxation			
	2023	2022	
	£	£	
<b>Current tax</b>			
Adjustments in respect of prior periods	(328,996)	(248,331)	
	<u>          </u>	<u>          </u>	
<b>Deferred tax</b>			
Origination and reversal of timing differences	458,618	86,213	
Changes in tax rates	120,116	-	
	<u>          </u>	<u>          </u>	
Total deferred tax	578,734	86,213	
	<u>          </u>	<u>          </u>	
Total tax charge/(credit)	249,738	(162,118)	
	<u>          </u>	<u>          </u>	

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 9 Taxation (Continued)

The actual charge/(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:

	2023 £	2022 £
Profit before taxation	1,012,279	201,264
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	192,333	38,240
Tax effect of expenses that are not deductible in determining taxable profit	89,029	74,938
Tax effect of income not taxable in determining taxable profit	(701)	(642)
Unutilised tax losses carried forward	(34,926)	208,555
Change in unrecognised deferred tax assets	226,716	112,389
Permanent capital allowances in excess of depreciation	106,283	(347,267)
Research and development tax credit	(328,996)	(248,331)
Taxation charge/(credit) for the year	249,738	(162,118)

### 10 Tangible fixed assets

	Leasehold buildings improvements £	Plant and machinery £	Office equipment £	Motor vehicles £	Tooling and fixturing £	Total £
<b>Cost</b>						
At 1 May 2022	253,014	10,289,500	179,888	110,779	131,677	10,964,958
Additions	-	1,009,427	3,073	-	31,922	1,044,422
Disposals	(253,014)	(539,497)	-	(78,199)	-	(870,710)
At 30 April 2023	-	10,759,430	183,061	32,580	163,599	11,138,670
<b>Depreciation and impairment</b>						
At 1 May 2022	197,029	6,430,253	169,606	99,397	23,593	6,919,878
Depreciation charged in the year	-	418,099	5,586	2,226	32,720	458,631
Eliminated in respect of disposals	(197,029)	(531,562)	-	(71,931)	-	(800,522)
At 30 April 2023	-	6,316,790	175,192	29,692	56,313	6,577,987
<b>Carrying amount</b>						
At 30 April 2023	-	4,442,640	7,869	2,888	107,286	4,560,683
At 30 April 2022	55,984	3,859,247	10,381	11,382	108,084	4,045,078

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

<b>11</b>	<b>Stocks</b>		
		<b>2023</b>	<b>2022</b>
		£	£
	Finished goods and goods for resale	1,282,496	889,686
		<u>          </u>	<u>          </u>

<b>12</b>	<b>Debtors</b>		
		<b>2023</b>	<b>2022</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Trade debtors	3,420,031	2,559,022
	Amounts owed by group undertakings	202,997	-
	Other debtors	165,580	205,944
	Prepayments and accrued income	175,061	179,733
		<u>          </u>	<u>          </u>
		3,963,669	2,944,699
		<u>          </u>	<u>          </u>

<b>13</b>	<b>Creditors: amounts falling due after more than one year</b>		
		<b>2023</b>	<b>2022</b>
		£	£
		<b>Notes</b>	
	Bank loans and overdrafts	<b>14</b>	112,500
	Obligations under finance leases	<b>15</b>	1,273,734
	Government grants	<b>18</b>	21,947
			<u>          </u>
			1,408,181
			<u>          </u>
			1,344,568
			<u>          </u>

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company. Hire purchase and similar contracts are secured on the assets of the company.

<b>14</b>	<b>Loans and overdrafts</b>		
		<b>2023</b>	<b>2022</b>
		£	£
	Bank loans	1,418,650	212,500
	Bank overdrafts	-	1,359,528
		<u>          </u>	<u>          </u>
		1,418,650	1,572,028
		<u>          </u>	<u>          </u>
	Payable within one year	1,306,150	1,397,028
	Payable after one year	112,500	175,000
		<u>          </u>	<u>          </u>

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company. Hire purchase and similar contracts are secured on the assets of the company.

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 15 Finance lease obligations

	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	602,691	513,925
In two to five years	1,380,509	1,226,476
	<u>1,983,200</u>	<u>1,740,401</u>
Less: future finance charges	(178,644)	(120,029)
	<u><u>1,804,556</u></u>	<u><u>1,620,372</u></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.

### 16 Other creditors falling due within one year

	2023	2022
	£	£
Trade creditors	1,690,757	999,435
Other creditors	-	136,234
	<u>1,690,757</u>	<u>1,135,669</u>

### 17 Deferred taxation

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

	Liabilities 2023	Liabilities 2022
	£	£
<b>Balances:</b>		
Accelerated capital allowances	1,022,291	670,251
Tax losses	(63,190)	(289,884)
	<u>959,101</u>	<u>380,367</u>
		2023
		£
<b>Movements in the year:</b>		
Liability at 1 May 2022		380,367
Charge to profit or loss		458,618
Effect of change in tax rate - profit or loss		120,116
		<u>959,101</u>

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 17 Deferred taxation (Continued)

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.

18 Government grants	2023	2022
	£	£
Arising from government grants	24,504	28,192
	<u>24,504</u>	<u>28,192</u>
Included in the financial statements as follows:		
Current liabilities	2,557	2,842
Non-current liabilities	21,947	25,350
	<u>24,504</u>	<u>28,192</u>

19 Retirement benefit schemes	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	129,584	113,874
	<u>129,584</u>	<u>113,874</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.

20 Share capital	2023	2022	2023	2022
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 21 Operating lease commitments

#### Lessee

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

	2023	2022
	£	£
Within one year	11,434	245,674
Between two and five years	25,925	38,157
	<u>37,359</u>	<u>283,831</u>

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

### 22 Directors' transactions

Dividends totalling £- (2022: £-) 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	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Directors current account	-	105,624	33,772	139,396
		<u>105,624</u>	<u>33,772</u>	<u>139,396</u>

### 23 Ultimate controlling party

During the year the company became a wholly owned subsidiary of Unilathe Holdings Limited, a company registered in England.

The ultimate controlling party is Mr E Sims who owns 99% of the issued share capital of Unilathe Holdings Limited.

The largest and smallest group of undertakings for which group accounts have been prepared is that headed up by Unilathe Holdings Limited.

### 24 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	762,541	363,382
<b>Adjustments for:</b>		
Taxation charged/(credited)	249,738	(162,118)
Finance costs	75,016	51,112
Investment income	(231)	(6)
Loss on disposal of tangible fixed assets	3,676	-
Depreciation and impairment of tangible fixed assets	458,631	390,184
<b>Movements in working capital:</b>		
Increase in stocks	(392,812)	(48,174)
Increase in debtors	(984,469)	(754,787)
Increase in creditors	704,851	314,742
Decrease in deferred income	(3,688)	(3,379)
<b>Cash generated from operations</b>	<u>873,253</u>	<u>150,956</u>

# UNILATHE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

25 Analysis of changes in net debt

	1 May 2022	Cash flows	New finance leases	30 April 2023
	£	£	£	£
Cash at bank and in hand	135,680	145,859	-	281,539
Bank overdrafts	(1,359,528)	1,359,528	-	-
	(1,223,848)	1,505,387	-	281,539
Borrowings excluding overdrafts	(212,500)	(1,206,150)	-	(1,418,650)
Obligations under finance leases	(1,620,372)	466,516	(650,700)	(1,804,556)
	(3,056,720)	765,753	(650,700)	(2,941,667)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.