UV Group Plc

Annual Report and Financial Statements

Year Ended

30 September 2021

Company Number 00672142

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UV Group Plc

Company Information

Directors	B D Landes D B Selkus J Alcock R T Lever
Company secretary	J Alcock
Registered number	00672142
Registered office	20 Rigg Approach Lea Bridge Road London E10 7QN
Independent auditor	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

UV Group Plc

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UV Group Plc

Group Strategic Report
For the Year Ended 30 September 2021

Review of the Group's operations

Executive summary

Throughout the year under review the group has continued operating in the manufacture, processing and merchanting of wood veneer products. The level of international trading is now inconsequential and will no longer be reported separately.

The dramatic downturn in the worldwide economy caused by the COVID-19 pandemic had significantly reversed by 30th September 2021. This, with subsequent further recovery, has itself generated other challenges for the world's economies. The group operates as a supplier to the construction industry on a worldwide platform without being dependent on a single market, whilst this industry sector suffered less badly than others during the early part of the pandemic it has subsequently experienced significant supply chain delays and challenges. As the recovery commenced a spike in pent up demand for, generally, far eastern production revealed stresses in the labour and freight markets that have yet to correct. Initially manufacturing lagged as safety considerations restricted labour availability then, as product became available, the movement of goods was delayed as logistics availability could not match demand. The situation has been further exacerbated by local transport operations suffering labour shortages resulting in vessels waiting offshore and containers being stockpiled in ports and railway yards. Freight increases of 500% and labour shortages have led to significantly higher cost increases in wood products than in other industries which, reluctantly, have been passed on to customers.

The imbalance of demand and supply has led to significant inflation now filtering into all aspects of society.

The Group has always maintained high levels of both finished and semi-finished stocks to balance unpredictable demand at the distribution centres. During the year stocks have been deliberately increased to ensure continuity of supply.

Trading margins remain healthy as the transition from traditional wood veneer to added value semi-finished products continues.

The group continues its overall strategy of opening and expanding distribution units in key locations, providing an ever increasing range of veneer and semi-finished veneer products.

The USA edgebanding distribution in Indiana continues to grow as the full effects of the recent absorptions of Veneer Solutions and Edgeline Industries LLC, combining with organic growth, are seen. Stock availability has led to a significant income growth.
Veneer distribution suffered as a result of the extended supply chain challenges on several key products that were only received towards the end of the financial year.

In the UK The Edging Company has benefited from the group's supply chain with increased income and margins.

The Indonesian distribution, now established for over three years, is trading profitably and continues to gain market share.

The long established South African centre continues to provide the local just in time markets.

The Slovenian manufacturing unit, supplemented by a broad supply chain, provides the group semi manufactured range of products. The increased demand has led to extended lead times which customers recognise as becoming normal and plan accordingly. Production capacity has again been increased by further capital expenditure and the building infrastructure has also been refurbished.

Group revenues and supply chain are largely denominated in foreign currency and, whilst exposures are monitored and largely insulated against, overall demand and profitability is affected by currency changes.

Executive summary (continued)

Following the UK's departure from the European Union there has been minimal disruption to trade between the UK and the EU with inland freight increases being significantly less than their marine counterparts. As the majority of trade flows are outside the UK/EU they have been unaffected by this aspect.
UK distribution however is largely dependent on overseas supply chains; where these originate from outside the EU there have been significant increases in lead times and cost increases with further disruption anticipated.

Cash flow from operating activities continues to be strong and has been used to fund the expansion of the Slovenian manufacturing operations and the increased trading working capital requirements.

The group has maintained and increased its cash surplus for many years for working capital requirements and to fund further expansion through organic growth and acquisition. Expansion to date has been self-funding and the board has set in place a dividend strategy to return value to the shareholders with a dividend of £1m being provided in the year under review. Consideration for further returns will also be made in future years.

Trading analysis

Overall revenues have increased by 20% to £12.8m with group pre-tax profits increasing by 9% to £751,000.

Demand for the group's broad range of veneer and related products continues to be strong in most regions; during the year under review the group's performance has been affected by the following factors:

- Product availability through high stock levels
- Margins remaining strong due to tight financial and quality controls over all stages of the supply chain.
- Overheads and expenditure being tightly controlled.
- The continuing investment in the USA reflects the importance attached to this market with further significant growth anticipated as market share increase.
- The UK market was the region most badly affected by reduced demand following the various pandemic lockdowns that were instigated; trading is now returning to former levels with specific focus being made on increasing market share.
- Over recent years the group has demonstrated its ability to identify and absorb key trading relationships and will continue to seek strategic alliances.

There continue to be numerous opportunities as worldwide markets come to terms with labour shortages, supply chain difficulties and changing demand. The group has significant cash balances, built up over many years, to enable it to respond to opportunities as they arise.

Key performance indicators

During the year under review Shareholders' funds plus proposed dividends grew by 4.2% with cash balances increasing by £264,000 spite of investment in capital expenditure and inventory.

UV Group Plc is a member of the Forest Stewardship Council (FSC) through which it promotes responsible management of the world's forests. The group continues to ensure compliance with UK Timber Regulations, European Union Timber Regulations and similar requirements in other parts of the world.

Principal risks and uncertainties

At this stage it is impossible to predict the outcome, or effect, the war in Ukraine will have on the group's trade and supply chain. Ukraine, like many European countries, has significant timber reserves which, if restricted for any significant period, would reduce product availability.

The other principal risk the group faces is the changing cost structure of its products as inflation gains a hold and the impact this will have on demand.

The Slovenian manufacturing unit entered into a two year contract for electricity supply with effect from January 2022 to insulate against any further increases as one way of providing certainty in one key cost area.

The markets for wood veneer products and international trading remain highly competitive with significant challenges from Far East suppliers. The group maintains its competitiveness by focussing on key customer relationships and product requirements where reliability of supply, delivery lead times and quality are exacting. New products and trade flows are continuously being introduced and evaluated.

The majority of the group's trade involves various currency exposures. Net currency positions are determined and monitored globally by the Finance Director who takes out forward cover as required.

The group's credit risk is primarily attributable to its trade debtors. The risk is managed principally by utilising worldwide credit insurance policies or secured payment terms.

The group has substantial cash balances and monitors cash flow requirements for existing product ranges as part of its monthly control procedures. The availability of these cash balances are fundamental to the group's development of new products and markets and to enable it to take advantage of commercial opportunities as they arise.

Future developments

Whilst there are no specific new projects or products in the pipeline management's attention is currently specifically focussed on organic growth through supply chain management. Whilst product availability is the key to entering new relationships production efficiencies are being implemented to increase output.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain below, how the Board engages with stakeholders:

Employee matters

The Company continues to work closely with the employees to drive efficiencies through training and process improvement. We hold meetings at all locations to keep employees informed and to gain valuable feedback and input.

The Company continues to promote a positive health and safety culture, the periods covered by the various national and international Covid-19 lockdowns are a clear demonstration of how staff at all levels embrace and drive safe working practices.

Further, as a commitment to its employees no reduction in salaries were introduced during the various lockdowns.

Section 172 Statement (continued)

Business relationships

The Board recognises that it is essential for the continued success and reputation of the business to maintain positive relationships with customers and suppliers.

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves. The Company prides itself on personal relationships established and nurtured over many years at all levels but principally at Board level with key customers and suppliers.

During the year, other than as referred to above, there have been no significant discussions with stakeholders.

Community relationships

The Company is a member of the Argall Avenue Business Improvement District (BID) through which local cleaning, security and environmental measures are provided.

Environment impact

The Company continues to be a member, and promoter, of the Forest Stewardship Council (FSC) which is dedicated to the responsible management of the world's forests enabling the identification of responsibly sourced wood, paper and other forest products.

Dividend policy

The group has maintained and increased its cash surplus for many years whilst at the same time regularly absorbing new operations. Working capital requirements, capital expenditure projections and investment in skills and training, together with potential acquisitions, have been reviewed and identified excess cash resources. With this in mind the board has set in place a dividend strategy to return value to the shareholders with a dividend of £1m being provided in the year under review. Consideration for further returns will also be made in future years.

This report was approved by the board on 22nd March 2022 and signed on its behalf.

J Alcock
Director

Directors' Report
For the Year Ended 30 September 2021

The Directors present their report and the audited financial statements for the year ended 30 September 2021.

Principal activity

The Group is engaged in the manufacture, processing and merchanting of wood veneer products to an international market.

Results and dividends

The Consolidated Statement of Comprehensive Income is set out on page 12 and shows the Group's profit for the year.

Dividends of £1.0m (2020 - £Nil) were declared during the year.

Going concern

The impact of COVID-19, and the recent outbreak of war in Ukraine is uncertain. The Directors have considered the impact on the Group of both events within the Strategic Report, and due to significant cash balances held at the year end, have concluded that the impact of both the pandemic, and the Ukrainian war will not influence the Group's ability to continue as a going concern. Given the considerations made, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors

The Directors who served during the year were:

B D Landes
D B Selkus
J Alcock
R T Lever

Qualifying third party indemnity provisions

The Group has not entered into qualifying third party indemnity arrangements for the benefit of the Directors in a form and scope which comply with the requirements of the Companies Act 2006.

Matters covered in the Group Strategic Report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report in accordance with S414C(11) as the Directors consider them to be of strategic importance to the Group.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Directors' Report (continued)
For the Year Ended 30 September 2021

Events after the reporting period

The outbreak of war between Russia and Ukraine on 24 February 2022 is considered to be a non adjusting event after the year end.

The impact of the war has been considered further in the Strategic Report. At the point of signature of these financial statements there is not anticipated there will be any significant changes to how the Group and the Company operate as a result of the war.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22nd March 2022 and signed on its behalf.

J Alcock
Director

Directors' Responsibilities Statement
For the Year Ended 30 September 2021

The Directors are responsible for preparing the Strategic Report, the Directors' 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 Group and Company 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 Group and Company and of the profit or loss of the Group and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent Auditor's report to the members of UV Group Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of UV Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory framework applicable to the Group and the Parent Company, through discussions with the Directors and management and from our general commercial experience. We determined which laws and regulations were of most significance in the context of the Group and the Parent Company and which are directly relevant to specific assertions in the financial statements, being United Kingdom Accounting Standards (Financial Reporting Standard 102), and applicable law (the Companies Act 2006 and tax legislation);
- We understood how the Group and the Parent Company is complying with those legal and regulatory frameworks, by making enquiries to management, and the Directors of known or suspected instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes. We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit;
- We ensured that the audit engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;
- We obtained an understanding of the Group and the Parent Company's current activities, including an understanding of its control environment;
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur, by discussing with management and the Directors to understand where it is considered there was a susceptibility of fraud;
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates; and
- Audit procedures performed in response to the assessment above included: Discussions with management of known or suspected instances of fraud; Evaluation of management's controls designed to prevent and detect irregularities; Challenging assumptions made by management in their significant accounting estimates including in relation to the stock provision, estimation of intercompany debtor recoverability, depreciation policies, the valuation of investments, and the recognition of revenue; Identifying and testing the appropriateness of journal entries; Evaluating the business rationale of any significant transactions that were unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Keith Ferguson

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Keith Ferguson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Ipswich
United Kingdom

22 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2021

	Note	2021 £000	2020 £000
Turnover	4	**12,798**	10,653
Change in stocks of finished goods and work in progress		**770**	104
Other operating income		**170**	189
Raw materials and consumables		**(6,239)**	(4,869)
Gross profit		**7,499**	6,077
Staff costs		**(4,435)**	(3,625)
Depreciation and amortisation		**(152)**	(141)
Other operating expenses		**(2,164)**	(1,653)
Operating profit	5	**748**	658
Interest receivable and similar income	8	**5**	33
Interest payable and similar expenses	9	**(1)**	(2)
Profit before tax		**752**	689
Tax on profit	10	**(166)**	(156)
Profit for the financial year		**586**	533
Currency translation differences		**(24)**	(52)
Total comprehensive income for the year		**562**	481

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc
Registered number:00672142

Consolidated Statement of Financial Position
As at 30 September 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Intangible assets	11		54		63
Tangible fixed assets	12		2,687		2,663
			2,741		2,726
Current assets					
Stocks	14	5,217		4,420	
Debtors: amounts falling due within one year	15	3,577		3,131	
Investments	16	2,916		3,613	
Cash at bank and in hand		3,211		2,250	
		14,921		13,414	
Creditors: amounts falling due within one year	17	(4,714)		(2,752)	
Net current assets			10,207		10,662
Creditors: amounts falling due after more than one year	18		(2)		(4)
Net assets			12,946		13,384
Capital and reserves					
Called up share capital	22		100		100
Share premium account	23		2,800		2,800
Revaluation reserve	23		233		241
Profit and loss account	23		9,812		10,242
Equity attributable to owners of the parent Company			12,945		13,383
Non-controlling interests			1		1
Total equity			12,946		13,384

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

22nd March 2022

J Alcock
Director

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc
Registered number:00672142

Company Statement of Financial Position
As at 30 September 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	12		1,109		1,134
Investments			757		757
			1,866		1,891
Current assets					
Stocks	14	3,133		2,792	
Debtors: amounts falling due after more than one year	15	2,065		797	
Debtors: amounts falling due within one year	15	3,498		4,028	
Investments	16	2,916		3,613	
Cash at bank and in hand		2,822		1,809	
		14,434		13,039	
Creditors: amounts falling due within one year	17	(3,738)		(2,206)	
Net current assets			10,696		10,833
Net assets			12,562		12,724
Capital and reserves					
Called up share capital	22		100		100
Share premium account	23		2,800		2,800
Revaluation reserve	23		233		241
Profit and loss account brought forward		9,583		9,206	
Profit for the year		838		369	
Other changes in the profit and loss account		(992)		8	
Profit and loss account carried forward			9,429		9,583
Total equity			12,562		12,724

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
22nd March 2022

J Alcock
Director

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc

Consolidated Statement of Changes in Equity
For the Year Ended 30 September 2021

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 October 2020	100	2,800	241	10,242	13,383	1	13,384
Comprehensive income for the year							
Profit for the year	-	-	-	586	586	-	586
Currency translation differences	-	-	-	(24)	(24)	-	(24)
Total comprehensive income for the year	-	-	-	562	562	-	562
Contributions by and distributions to owners							
Dividends: Equity capital	-	-	-	(1,000)	(1,000)	-	(1,000)
Depreciation transfer	-	-	(8)	8	-	-	-
At 30 September 2021	100	2,800	233	9,812	12,945	1	12,946

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc

Consolidated Statement of Changes in Equity
For the Year Ended 30 September 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 October 2019	100	2,800	249	9,753	12,902	1	12,903
Comprehensive income for the year							
Profit for the year	-	-	-	533	533	-	533
Currency translation differences	-	-	-	(52)	(52)	-	(52)
Total comprehensive income for the year	-	-	-	481	481	-	481
Depreciation transfer	-	-	(8)	8	-	-	-
At 30 September 2020	100	2,800	241	10,242	13,383	1	13,384

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc

Company Statement of Changes in Equity
For the Year Ended 30 September 2021

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2020	100	2,800	241	9,583	12,724
Comprehensive income for the year					
Profit for the year	-	-	-	838	838
Total comprehensive income for the year	-	-	-	838	838
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(1,000)	(1,000)
Depreciation transfer	-	-	(8)	8	-
At 30 September 2021	100	2,800	233	9,429	12,562

Company Statement of Changes in Equity
For the Year Ended 30 September 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2019	100	2,800	249	9,206	12,355
Comprehensive income for the year					
Profit for the year	-	-	-	369	369
Total comprehensive income for the year	-	-	-	369	369
Depreciation transfer	-	-	(8)	8	-
At 30 September 2020	100	2,800	241	9,583	12,724

The notes on pages 20 to 42 form part of these financial statements.

UV Group Plc

Consolidated Statement of Cash Flows
For the Year Ended 30 September 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	**586**	533
Adjustments for:		
Amortisation of intangible assets	**9**	9
Depreciation of tangible assets	**143**	132
Loss on disposal of tangible assets	**1**	-
Interest payable	**1**	2
Interest receivable	**(5)**	(33)
Taxation charge	**166**	156
Increase in stocks	**(849)**	(174)
Increase in debtors	**(496)**	(40)
Increase/(decrease) in creditors	**1,004**	(195)
Corporation tax paid	**(159)**	(152)
Foreign exchange	**108**	18
Net cash generated from operating activities	**509**	256
Cash flows from investing activities		
Purchase of tangible fixed assets	**(246)**	(375)
Interest received	**5**	33
Decrease in cash held on term deposit	**697**	-
Net cash from/(used in) investing activities	**456**	(342)

UV Group Plc

Consolidated Statement of Cash Flows (continued)
For the Year Ended 30 September 2021

	2021 £000	2020 £000
Cash flows from financing activities		
Repayment of finance leases	**(2)**	(1)
Interest paid	**(1)**	(2)
Net cash used in financing activities	**(3)**	(3)
Net increase/(decrease) in cash and cash equivalents	**962**	(89)
Cash and cash equivalents at beginning of year	**2,863**	2,972
Foreign exchange gains and losses	**(1)**	(20)
Cash and cash equivalents at the end of year	**3,824**	2,863
Cash and cash equivalents at the end of year comprise:		
Cash and bank deposits repayable on demand	**3,211**	2,250
Bank deposits less than three months	**613**	613
	3,824	2,863

The notes on pages 20 to 42 form part of these financial statements.

1. General information

UV Group Plc is a public limited company, which is permitted to offer its shares to the public, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Group's operations and its principal activities are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of UV Group Plc and all of its subsidiary undertakings as at 30 September 2021. The acquisition method of accounting is used to consolidate the results of subsidiary undertakings from the date of acquisition.

All amounts in these financial statements have been rounded to the nearest thousand, unless otherwise stated.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

2. Accounting policies (continued)

2.3 Going concern

Whilst the impacts of both COVID-19 and the war in Ukraine are difficult to predict, the Directors have considered both the actual impacts on results over the prior periods where the company has traded through the pandemic, and the potential future impact on the results of the Group of both the pandemic, and the outbreak of war in Ukraine. In making these considerations the Directors have concluded that the cash reserves will be sufficient to allow the Group to continue as a going concern for a period of more than 12 months from the date on which these financial statements are signed. The Directors have prepared forecasts for the next twelve months which demonstrate that the Group has sufficient cash reserves to support the company should a downturn in trade be experienced, having sufficient resources to cover ongoing Group operating costs. The products sold by the Group are not considered to have a shelf life, and as such can be stored, and sold after any potential reduction in demand has passed.

Given the considerations made, the Directors have concluded that the Group has the ability to continue as a going concern, and accordingly the accounts continue to be prepared on that basis.

2.4 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Turnover is recognised depending on the international shipping terms recognised by the two parties.

2.5 Pensions

All the pension schemes operated by the Group are money purchase schemes and the payments made to the schemes are charged to the Consolidated Income Statement in the year to which they relate.

2.6 Operating leases: the Group as lessee

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

2.7 Other operating income

Government grants

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Prior to the acquisition of the freehold interest relating to the long leasehold properties in 2014 the Company's long leasehold properties in the UK were revalued on 30 September 1990 by a firm of Chartered Surveyors at open market value at that date. These valuations, which have not been updated since, adopted the basis recommended by the Royal Institution of Chartered Surveyors in "Guidance notes on the valuation of assets" (1981 edition). This valuation now represents the buildings value. As a result an annual depreciation transfer is made between the revaluation reserve and the profit and loss account.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, it is calculated as follows.

The estimated useful lives range as follows:

Freehold buildings	- 2% per annum on buildings cost or valuation
Plant equipment & vehicles	- 10% to 33.33% per annum on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to disposal.

Slow-moving or poor quality stock is generally provided for. Slow-moving would be anything, which has not moved in the previous 12 months, or those items which have seen low sales levels in the last 12 months. Poor quality stock is provided for to the extent that it cannot be used. Items that cannot be used in other products are only part provided for. Some stock is ordered in specifically for certain customers. When that trading relationship ends, it is difficult to sell on to other customers and so these are provided for in full.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The bank term deposits greater than 3 months are not deemed as cash equivalent under section 7.2 of FRS 102.

2.16 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including foreign exchange 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 the Consolidated Income Statement in other operating charges or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.18 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the liability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Stock provision

  Provisions are made against slow moving stock on a line by line basis. Slow moving stock is considered to be stock that has not moved in the last 12 months or those items which have seen low sales levels in the last 12 months. Poor quality stock is provided for to the extent that it cannot be used.

4. Turnover

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

	2021 £000	As restated 2020 £000
Manufacture and distribution of veneers,	**12,798**	10,653

The analysis of turnover by geographical market is not disclosed because in the opinion of the directors disclosure would be seriously prejudicial to the interests of the Group.

Comparative amounts have been restated as the level of international trading is considered inconsequential to the group in both the current and prior period.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £000	2020 £000
Depreciation of tangible fixed assets	**143**	132
Amortisation of intangible assets	**9**	9
Auditor's remuneration:		
- Fees payable to the Group's auditor for the audit of the Group's annual accounts	**40**	30
- Tax	**7**	6
Operating lease charges	**65**	108
Net charge for doubtful debts	**69**	24
Foreign exchange losses/(gains)	**82**	(148)

6. Employees

Staff costs, including Directors' remuneration (plus benefits in kind), were as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	**4,056**	3,325	**2,507**	1,982
Social security costs	**334**	262	**304**	232
Cost of defined contribution scheme	**63**	63	**61**	61
	4,453	3,650	**2,872**	2,275

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Warehouse	**66**	64	3	3
Sales	**18**	20	9	10
Administration	**11**	11	6	6
	95	95	18	19

7. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	**1,729**	1,232
Company contributions to money purchase pension schemes	**20**	20
	1,749	1,252

All directors' remuneration is borne by the parent company.

During the year retirement benefits were accruing to 2 Directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £783k (2020 - £436k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10k (2020 - £10k).

8. Interest receivable and similar income

	2021 £000	2020 £000
Other interest receivable	**5**	33

9. Interest payable and similar expenses

	2021 £000	2020 £000
Finance leases and hire purchase contracts	**1**	1
Other interest payable	**-**	1
	1	2

10. Taxation

	2021 £000	2020 £000
Corporation tax		
UK corporation tax	**123**	98
UK corporation tax in respect of prior periods	**(2)**	-
Overseas tax	**45**	59
Foreign tax in respect of prior periods	**-**	(1)
Total current tax	**166**	156
Tax on profit	**166**	156

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	**752**	689
Profit multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	**143**	131
Effects of:		
Utilisation of tax losses	**(12)**	-
Expenses not deductible for tax purposes	**3**	3
Other timing differences	**34**	25
Foreign tax in respect of prior periods	**-**	(1)
UK corporation tax in respect of prior periods	**(2)**	-
Unrelieved tax losses	**-**	(2)
Total tax charge for the year	**166**	156

Factors that may affect future tax charges

The Group companies have taxable losses of approximately £152k (2020 - £216k) available for offset against future taxable profits.

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at the year end has been calculated based on the rate as at that date.

11. Intangible assets

Group

	Goodwill £000
Cost	
At 1 October 2020 and 30 September 2021	**90**
Amortisation	
At 1 October 2020	**27**
Charge for the year	**9**
At 30 September 2021	**36**
Net book value	
At 30 September 2021	**54**
At 30 September 2020	63

12. Tangible fixed assets

Group

	Freehold land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost or valuation			
At 1 October 2020	2,586	1,093	3,679
Additions	120	126	246
Disposals	-	(17)	(17)
Exchange adjustments	(52)	(42)	(94)
At 30 September 2021	2,654	1,160	3,814
Depreciation			
At 1 October 2020	537	479	1,016
Charge for the year	40	103	143
Disposals	-	(16)	(16)
Exchange adjustments	19	(35)	(16)
At 30 September 2021	596	531	1,127
Net book value			
At 30 September 2021	2,058	629	2,687
At 30 September 2020	2,049	614	2,663

12. Tangible fixed assets (continued)

Prior to the acquisition of the freehold interest relating to the long leasehold properties in 2014 the Company's long leasehold properties in the UK were revalued on 30 September 1990 by a firm of Chartered Surveyors at open market value at that date. These valuations, which have not been updated since, adopted the basis recommended by the Royal Institution of Chartered Surveyors in "Guidance notes on the valuation of assets" (1981 edition). This valuation now represents the buildings value.

Cost or valuation at 30 September 2021 is as follows:

	Freehold land and buildings £000
At cost	**2,219**
At valuation:	
Open market value 1990	**441**
	2,660

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £000	2020 £000
Cost	**381**	381
Accumulated depreciation based on historical cost	**(190)**	(183)
Net book value	**191**	198

12. Tangible fixed assets (continued)

Company

	Freehold land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost or valuation			
At 1 October 2020	1,611	261	1,872
Additions	-	14	14
Disposals	-	(16)	(16)
At 30 September 2021	1,611	259	1,870
Depreciation			
At 1 October 2020	525	213	738
Charge for the year	19	20	39
Disposals	-	(16)	(16)
At 30 September 2021	544	217	761
Net book value			
At 30 September 2021	1,067	42	1,109
At 30 September 2020	1,086	48	1,134

12. Tangible fixed assets (continued)

Prior to the acquisition of the freehold interest relating to the long leasehold properties in 2014 the Company's long leasehold properties in the UK were revalued on 30 September 1990 by a firm of Chartered Surveyors at open market value at that date. These valuations, which have not been updated since, adopted the basis recommended by the Royal Institution of Chartered Surveyors in "Guidance notes on the valuation of assets" (1981 edition). This valuation now represents the buildings value.

Cost or valuation at 30 September 2021 is as follows:

	Freehold land and buildings £000
Cost	**1,170**
At valuation:	
Open market value 1990	**441**
	1,611

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021 £000	2020 £000
Cost	**381**	381
Accumulated depreciation based on historical cost	**(190)**	(183)
Net book value	**191**	198

13. Investments

	Investments in subsidiary companies £000
Cost and net book value	
At 1 October 2020 and 30 September 2021	**757**

Name	Nature of business	Country of incorporation and operation	Class of issued shares	Percentage of class of issued shares held by UV Group Plc
Pleasant Hill Veneer Corporation	Veneer merchant	United States of America	Common	100*
Uvisco Limited	Veneer merchant	England	Ordinary	100
Pleasant Hill Veneer (UK) Limited	Intermediate Holding Company	England	Ordinary	100
Uvisco (Proprietary) Limited	Veneer merchant	Republic of South Africa	Ordinary	100*
Spajalnica. d.o.o.	Veneer merchant	Slovenia	Ordinary	100
Artisan International Limited	Dormant	England	Ordinary	80
Furnir, oddajanje v najem, d.o.o.	Veneer merchant	Slovenia	Ordinary	100
The Edging Company Limited (trading as SMC Wholesale Purchase)	Veneer merchant	England	Ordinary	100
Indonesia Veneer Services	Veneer merchant	Indonesia	Ordinary	100

* held indirectly through subsidiary undertakings.

The Edging Company Limited and Pleasant Hill Veneer (UK) Limited are included in the consolidated financial statements and are entitled, and have opted, to take exemption from the requirement for their individual accounts to be audited under S479A of the Companies Act 2006 relating to subsidiary companies.

All of the subsidiary undertakings listed above have been included in the consolidated financial statements. The addresses of the above UK based subsidiaries are the same as the parent undertaking, 20 Rigg Approach, Lea Bridge Rd, London, E10 7QN.

The addresses of the non-UK subsidiaries are as follows:

Pleasant Hill Veneer Corporation - 605W 47th St Ste 301, Kansas City, Missouri, 64112-1905. Uvisco (Proprietary) Ltd - Building A, 5 Regency Drive, Route 21 Corporate Park, Centurion, 0157. Spajalnica. d.o.o. and Furnir, oddajanje v najem, d.o.o - Lesna ulica 002A, 3230 Sentjur. Indonesia Veneer Services - Fortune Business Park B-26, Jl. Tambak Sawah No. 6-12, Waru, Sidoarjo 61256, Indonesia.

14. Stocks

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Finished goods and goods for resale	**5,217**	4,420	**3,133**	2,792

For the Group an impairment loss of £50k (2020 - £77k) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock. For the Company an impairment loss of £76k (2020 - £61k) was recognised.

There is no material difference between the replacement cost of stocks and the amounts stated above.

15. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts owed by group undertakings	-	-	**2,065**	797

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	**2,912**	2,611	**1,845**	1,734
Amounts owed by group undertakings	-	-	**1,272**	2,071
Other debtors	**256**	161	**49**	28
Prepayments and accrued income	**406**	328	**332**	167
Deferred taxation	**3**	3	-	-
Financial instruments	-	28	-	28
	3,577	3,131	**3,498**	4,028

The deferred tax asset relates to tax losses which are expected to be offset against future taxable profits and falls due within one year.

The impairment loss recognised in the Consolidated Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £69k (2020 - credit of £24k). The impairment loss recognised in the Company Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £51k (2020 - £18k).

Amounts owed by group undertakings represent a line of credit five years after notice for repayment has been sent in writing to the borrower. As at 30 September 2021, no such notice has been served. An interest rate of 0.542% per annum is valid for five years.

16. Investments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank deposits less than three months	**613**	613	**613**	613
Bank term deposits greater than three months	**2,303**	3,000	**2,303**	3,000
	2,916	3,613	**2,916**	3,613

The bank term deposits greater than three months are not deemed as a cash equivalent under section 7.2 of FRS 102.

17. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade creditors	**1,440**	1,113	**955**	723
Amounts owed to group undertakings	**-**	-	**3**	260
Corporation tax	**89**	82	**58**	66
Other taxation and social security	**62**	177	**41**	125
Obligations under finance lease and hire purchase contracts	**2**	2	**-**	-
Other creditors	**2,547**	915	**2,442**	823
Accruals and deferred income	**574**	463	**239**	209
	4,714	2,752	**3,738**	2,206

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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

Included in other creditors are dividends payable totalling £1,000k (2020 - £Nil).

18. Creditors: Amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000
Net obligations under finance leases and hire purchase contracts	**2**	4

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £000	Group 2020 £000
Within one year	**2**	2
Between 1-5 years	**2**	4
	4	6

20. Financial instruments

	Group 2021 £000	Group 2020 £000
Financial assets		
Derivative financial instruments measured at fair value through profit or loss	**-**	28
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	**(26)**	-

Derivative financial instruments measured at fair value through profit or loss relate to foreign exchange contracts.

21. Deferred taxation

Group

	2021 £000
At beginning of year	3
Charged to profit or loss	-
At end of year	**3**

The deferred tax balance is made up as follows:

	Group 2021 £000	Group 2020 £000
Tax losses carried forward	**3**	3

22. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
100,001 (2020 - 100,001) Ordinary shares of £1.00 each	**100**	100

23. Reserves

The Group's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium

The share premium reserve includes the premium on issue of equity shares, net of any issue costs.

Revaluation reserve

The revaluation reserve contains gains arising on the revaluation of tangible fixed assets and is distributable on sale of these relevant assets.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Non-controlling interest

The non-controlling interest represents the proportion of reserves attributable to other shareholders in the Group who are not the controlling party.

24. Contingent liabilities

The bank have given a guarantee on behalf of the group to the value of £20,000 (2020 - £20,000) to HM Revenue & Customs.

25. Pension commitments

The Group contributes to a number of money purchase pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds (see note 6). At the year end an amount of £Nil (2020 - £4k) was payable to the fund and included in other creditors.

26. Commitments under operating leases

At 30 September 2021 the Group had future minimum lease payments due under non-cancellable operating leases as follows:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	21	28
In two to five years	-	21
	21	49

The Company had no operating lease commitments in the current or prior year.

27. Analysis of net debt

	At 1 October 2020 £000	Cash flows £000	At 30 September 2021 £000
Cash and cash equivalents	2,863	961	3,824
Finance leases	(6)	2	(4)
	2,857	963	3,820

28. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS102 whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the Group.

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £1,911k (2020 - £1,414).

At the Statement of Financial Position date, UV Group Plc owed Artisan International Limited, a 80% owned subsidiary, £3k (2020 - £3k).

As at 30 September 2021, £10k (2020 - £8k) is included in other debtors and £2k (2020 - £2k) is included in other creditors relating to amounts due from and to directors in relation to travel advances.

29. Ultimate controlling party

The Company was controlled throughout the current and previous year by The R Landes Family Settlement Trust.

30. Events after the reporting period

The outbreak of war between Russia and Ukraine on 24 February 2022 is considered to be a non adjusting event after the year end.

The impact of the war has been considered further in the Strategic Report. At the point of signature of these financial statements there is not anticipated there will be any significant changes to how the Group and the Company operate as a result of the war.