

Company Registration No. 02510845 (England and Wales)

UNITED ALUMINIUM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

UNITED ALUMINIUM LIMITED

COMPANY INFORMATION

Directors	P N Wraith C Thornton E Elliott
Company number	02510845
Registered office	Greenside Way Chadderton Industrial Estate Greengate Middleton Greater Manchester M24 1SW
Auditor	Champion Accountants LLP 1 Worsley Court High Street Worsley Manchester M28 3NJ

UNITED ALUMINIUM LIMITED

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UNITED ALUMINIUM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

The Principle Activity

This primarily includes the manufacture of illuminated retail displays, modular exhibition stands, office pod meeting rooms, and specialist illumination for commercial projects. The Company achieves this by combining advanced LED technologies and our many years of experience in mechanical engineering.

Fair review of the business

During the year, the decision was made to cease trading in Lumenal and amalgamate with United Aluminium Limited, both of which traded from the same premises already. The primary reason for the change was to enable the Company to build on our already very strong 'Unibox' brand. The Company also wanted to reduce the costs and tasks associated with payroll, accounts and admin duties. Lumenal employees were redeployed to United Aluminium Limited via TUPE transfer.

Significant product development successes included the development of a 3.6 metre diameter suspended illuminated Halo ring for Ford Motors, scheduled to roll out across approximately 3,000 showrooms throughout the UK and Europe over the next 3 years with revenues of circa £18m. In addition, the inception, development and launch of Konnekt, a system allowing retailers to retro fit illumination into their existing standard supermarket style shelving systems with no requirement for capital expenditure or complicated installation. The sleek and extremely effective system provides a simple, effortlessly installed solution enabling retailers to fit whilst the shelves are still fully stocked with merchandise. The Company applied for two patents during the design process to protect the Intellectual Property of the design intent.

Principal risks and uncertainties

The Company continues to reduce its exposure to credit risk by insuring all debts, it also undertakes full credit reviews on all new and existing customers on regular basis. However, 2019 saw a £13.5k bad debt from a large ongoing rail contract with Birley Manufacturing which was explainable but unavoidable.

The threat of an historic intellectual property dispute from Lumenal remains so the provision has been carried forward.

Development and performance

During the period to December 2019 turnover increased significantly from £7.40m to £9.43m, however some of this can be attributed to the closing of our sister company Lumenal Ltd (07167963) half way through the year.

The profit for the period was also up at £920k, an increase of 41% on 2018 at £650k. The Net Assets of the Company also increased from to £3.12m in 2018 to £5.44m. Net Profit to Turnover Percentage was (2019 9.8%) (2018 8.7%).

UNITED ALUMINIUM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators

The Company monitors performance by reference to a number of key performance indicators on a year by year basis.

EBITDA (£'000)

This is calculated by taking operating profit before adjusting for depreciation and amortisation.

<u>2019</u>	<u>2018</u>
£1.04m	£741k

Return on Capital Employed (%)

This is computed by taking EBIT as a % of Net Assets. This performance measure will indicate returns that will be available for re-investment.

<u>2019</u>	<u>2018</u>
19.1%	23.8%

Directors were extremely happy with the results for the year and, anticipate continued growth at similar rates into 2020.

Business Environment

High street retail in 2019 had the lowest rate of spending growth since 2010, largely driven by the uncertainty of Brexit and continuing growth in online sales. Department stores such as Debenhams and BHS continued to decline whilst Primark, TK Maxx and supermarket chains continued to grow and expand.

As the retail industry remains a challenging sector, it is more important than ever for the Company to continue to make its self a strategic supply partner to its clients in growing sectors such as mobile comms, leisure and supermarkets; as well as diversifying into new sectors such as bespoke architectural lighting including the often complex and challenging installations required for integrated and colour changing lighting.

On behalf of the board

E Elliott

Director

30 September 2020

UNITED ALUMINIUM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Directors

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

P N Wraith
C Thornton
E Elliott

Auditor

The auditor, Champion Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

E Elliott
Director

30 September 2020

UNITED ALUMINIUM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

UNITED ALUMINIUM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED ALUMINIUM LIMITED

Opinion

We have audited the financial statements of United Aluminium Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet 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 FRS 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 31 December 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

UNITED ALUMINIUM LIMITED

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Mark Turner FCA (Senior Statutory Auditor)
for and on behalf of **Champion Accountants LLP**

30 September 2020

Chartered Accountants
Statutory Auditor

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

UNITED ALUMINIUM LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover		9,430,431	7,407,777
Cost of sales		(4,932,390)	(4,139,499)
Gross profit		4,498,041	3,268,278
Administrative expenses		(3,627,431)	(2,762,399)
Other operating income		49,000	144,300
Operating profit		919,610	650,179
Interest payable and similar expenses		(4,601)	(8,241)
Amounts written off related party loans	2	1,455,550	-
Profit before taxation		2,370,559	641,938
Tax on profit		(99,808)	(67,151)
Profit for the financial year		2,270,751	574,787
Retained earnings brought forward		3,115,094	2,540,307
Retained earnings carried forward		5,385,845	3,115,094

UNITED ALUMINIUM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5		372,156		227,417
Current assets					
Stocks		1,548,393		476,049	
Debtors	6	5,471,791		4,311,309	
Cash at bank and in hand		138,348		213,439	
		<u>7,158,532</u>		<u>5,000,797</u>	
Creditors: amounts falling due within one year	7	<u>(2,080,880)</u>		<u>(2,057,848)</u>	
Net current assets			<u>5,077,652</u>		<u>2,942,949</u>
Total assets less current liabilities			<u>5,449,808</u>		<u>3,170,366</u>
Creditors: amounts falling due after more than one year	8		-		(20,278)
Provisions for liabilities			<u>(63,858)</u>		<u>(34,889)</u>
Net assets			<u><u>5,385,950</u></u>		<u><u>3,115,199</u></u>
Capital and reserves					
Called up share capital			105		105
Profit and loss reserves			<u>5,385,845</u>		<u>3,115,094</u>
Total equity			<u><u>5,385,950</u></u>		<u><u>3,115,199</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed on its behalf by:

E Elliott
Director

Company Registration No. 02510845

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

United Aluminium Limited is a private company limited by shares incorporated in England and Wales. The registered office is Greenside Way, Chadderton Industrial Estate, Greengate, Middleton, Greater Manchester, M24 1SW.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Amortisation 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:

Development costs	33% straight line
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1.4 Tangible fixed assets

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

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

Plant and equipment	20% reducing balance
Fixtures and fittings	15% reducing balance and 33% straight line
Computers	33% straight line
Motor vehicles	25% reducing balance
Tooling	20% and 33% 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 and intangible 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.

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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 replacement cost and cost, adjusted where applicable for any loss of service potential.

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

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.

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

1.12 Retirement benefits

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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.13 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.

1.14 Invoice discounting

The company discounts its trade debts. The policy is to include trade debts within current assets as trade debtors and to record cash advances within creditors due within one year. Discounting fees and interest are charged to the profit and loss account when incurred. Bad debts are borne by the company and are charged to the profit and loss account when incurred.

2 Exceptional item

During the year the company wrote off related company loans of £1,455,550 (2018: £nil) owed to Lumenal Limited.

3 Employees

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

	2019 Number	2018 Number
Total	88	69

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2019 and 31 December 2019	120,000
Amortisation and impairment	
At 1 January 2019 and 31 December 2019	120,000
Carrying amount	
At 31 December 2019	-
At 31 December 2018	-

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Tooling	Total
	£	£	£	£	£	£
Cost						
At 1 January 2019	584,451	338,942	38,586	60,286	103,045	1,125,310
Additions	77,162	72,785	5,212	3,211	42,044	200,414
Disposals	(5,450)	-	-	-	-	(5,450)
Transfers	19,471	13,163	-	24,953	32,343	89,930
At 31 December 2019	675,634	424,890	43,798	88,450	177,432	1,410,204
Depreciation and impairment						
At 1 January 2019	417,356	316,886	38,586	28,038	97,027	897,893
Depreciation charged in the year	42,845	18,982	368	8,259	15,276	85,730
Eliminated in respect of disposals	(4,708)	-	-	-	-	(4,708)
Transfers	10,535	6,997	-	17,951	23,650	59,133
At 31 December 2019	466,028	342,865	38,954	54,248	135,953	1,038,048
Carrying amount						
At 31 December 2019	209,606	82,025	4,844	34,202	41,479	372,156
At 31 December 2018	167,095	22,056	-	32,248	6,018	227,417

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,372,488	1,633,245
Amounts owed by group undertakings	2,652,438	2,380,935
Other debtors	337,554	193,106
Prepayments and accrued income	109,311	104,023
	5,471,791	4,311,309

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Obligations under finance leases	46,236	22,369
Trade creditors	1,216,923	724,866
Corporation tax	70,839	65,620
Other taxation and social security	470,154	361,626
Other creditors	68,135	728,880
Accruals and deferred income	208,593	154,487
	<u>2,080,880</u>	<u>2,057,848</u>

Obligations under hire purchase agreements are secured against the assets concerned.

8 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases		-	20,278
		<u>-</u>	<u>20,278</u>

Obligations under hire purchase agreements are secured against the assets concerned.

9 Contingencies

The company has given an unlimited guarantee on bank loans taken out by its parent company, Unibox Holdings Limited, amounting to £123,404 (2018: £225,615)

10 Operating lease commitments

Lessee

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

	2019 £	2018 £
	<u>191,618</u>	<u>349,855</u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Related party transactions

By virtue of common directorships, Lumenal Limited is a related party.

During the year, the company made sales of £272,275 (2018: £nil) to Lumenal Limited.

During the year, the company recorded purchases of £108,527 (2018: £77,252) from Lumenal Limited.

During the year the company wrote off related company loans of £1,455,550 (2018: £nil) owed to Lumenal Limited.

At the year-end, a loan of £10,000 (2018: £681,769) was due from Lumenal Limited.

During the year the company received rent of £45,000 (2018: £110,000) and recharged £168,200 (2018: £468,138) in respect of overheads to Lumenal Limited.

During the year, the company transferred fixed assets with a net book value of £30,797 (2018: £NIL) from Lumenal Limited.

Also during the year the company received equipment hire charges of £NIL (2018: £19,900) from Lumenal Limited.

By virtue of being the parent company of United Aluminium Limited, Unibox Holdings Limited is a related party.

At the year end, a loan of £2,652,438 (2018: £2,380,5935) was due from Unibox Holdings Limited.

During the year, the company paid rental charges of £235,000 (2018: £174,000) to Unibox Holdings Limited.

During the year, the company paid management charges of £198,000 (2018: £NIL) to Unibox Holdings Limited.

12 Parent company

In the opinion of the directors the company's immediate parent company is Unibox Holdings Limited, a company registered in England and Wales.

By virtue of holding 100% of the issued share capital of Unibox Holdings Limited, Shellco 141 Limited, a company registered in England and Wales is the ultimate parent and controlling company.

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