

Company Registration No. 02510845 (England and Wales)

UNITED ALUMINIUM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

UNITED ALUMINIUM LIMITED

COMPANY INFORMATION

Directors	P N Wraith C Thornton E Elliott L Ward
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

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of income and retained earnings	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

UNITED ALUMINIUM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Principal Activity

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

Business review

During the pandemic in 2020 Unibox quickly pivoted the business and started making PPE screens for the retail, commercial interiors, health and beauty industries. The Safe-Vu range was designed, developed and launched from people working at home. Whilst others stayed in the factory fulfilling existing and new orders. The value of these orders totalled £2.3m.

Despite the fact that the retail industry closed for much of the year and offices were closed with employee's being told to work from home Unibox still had an extremely successful year financially.

Risk management

The Company continues to credit insure and through good rigorous credit control throughout the pandemic managed to get through the entire year without a single bad debt.

The threat of an historic intellectual property dispute from Lumenal has decreased significantly due to time issues.

Results and performance

During the period to December 2020 turnover increased slightly from £9.43m to £9.75m. However, GP was down as a percentage of turnover due to the increased price of raw materials, import costs from overseas, and stock write off of goods specific to retailers that ceased trading. These results were (2019: 48% and 2020: 42%).

The Net Assets of the Company also increased from £5.39m in 2019 to £6.34m. Net Profit to Turnover Percentage was (2019: 8.6%) (2020: 9.8%). This increased Net Profit percentage was mainly down to reduced management and rent charges from our Parent company, plus reduced travel, marketing and bad debt costs.

Key performance indicators

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

EBITDA

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

<u>2020</u>	<u>2019</u>
£1.20m	£1.01m

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>2020</u>	<u>2019</u>
18.9%	18.7%

Directors were happy with the results for the year especially given all the challenges the pandemic caused, selling new products to new markets and customers, whilst trying to manage with much fewer staff and material shortages. We anticipate that once life starts to return to normal in Q2 of 2021 that existing customers will be back in touch as well as new opportunities in other sectors.

UNITED ALUMINIUM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Business environment

2020 was unprecedented given the global pandemic and the immediate and devastating effect it had on the worldwide economy. The events, hospitality and exhibition sectors were decimated throughout 2020, with much of the high street remaining closed to the public for many months throughout the year.

Notwithstanding the above, 2020 saw essential retail remaining open throughout the lockdown periods allowing retailers such as the "big 5" supermarkets, homeware and garden stores seeing huge growth and maximising on that additional footfall in their stores.

The growth in essential retail provided an opportunity for the Company to maximise on our already strong links within those retailers, something the Company will continue to maximise on throughout 2021 and beyond.

On behalf of the board

E Elliott
Director

29 September 2021

UNITED ALUMINIUM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

P N Wraith

C Thornton

E Elliott

L Ward

(Appointed 1 October 2020)

Auditor

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

Statement of directors' responsibilities

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

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

On behalf of the board

E Elliott
Director

29 September 2021

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 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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.

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.

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102 and Companies Act 2006.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

UNITED ALUMINIUM LIMITED

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

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to deferred income, depreciation methods, stock valuation & cut-off.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

29 September 2021

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 2020

	Notes	2020 £	2019 £
Turnover	5	9,749,869	9,430,431
Cost of sales		(5,634,318)	(4,932,390)
Gross profit		<u>4,115,551</u>	<u>4,498,041</u>
Administrative expenses		(3,453,359)	(3,627,431)
Other operating income		410,801	49,000
Operating profit	7	<u>1,072,993</u>	<u>919,610</u>
Interest payable and similar expenses	10	(4,240)	(4,601)
Amounts written off related party loans	6	-	1,455,550
Profit before taxation		<u>1,068,753</u>	<u>2,370,559</u>
Tax on profit	11	(116,302)	(99,808)
Profit for the financial year		<u>952,451</u>	<u>2,270,751</u>
Retained earnings brought forward		5,385,845	3,115,094
Retained earnings carried forward		<u><u>6,338,296</u></u>	<u><u>5,385,845</u></u>

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

UNITED ALUMINIUM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		335,350		372,156
Current assets					
Stocks	14	1,641,601		1,548,393	
Debtors	15	3,990,471		5,471,791	
Cash at bank and in hand		2,046,777		138,348	
		<u>7,678,849</u>		<u>7,158,532</u>	
Creditors: amounts falling due within one year	16	<u>(1,614,186)</u>		<u>(2,063,836)</u>	
Net current assets			6,064,663		5,094,696
Total assets less current liabilities			<u>6,400,013</u>		<u>5,466,852</u>
Creditors: amounts falling due after more than one year	17		(3,694)		(17,044)
Provisions for liabilities					
Deferred tax liability	19	<u>57,918</u>	(57,918)	<u>63,858</u>	(63,858)
Net assets			<u>6,338,401</u>		<u>5,385,950</u>
Capital and reserves					
Called up share capital	21		105		105
Profit and loss reserves			<u>6,338,296</u>		<u>5,385,845</u>
Total equity			<u>6,338,401</u>		<u>5,385,950</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2021 and are signed on its behalf by:

E Elliott
Director

Company Registration No. 02510845

UNITED ALUMINIUM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	1				
		2,104,159		(1,235,282)	
Interest paid		(4,240)		(4,601)	
Income taxes paid		(70,839)		(65,620)	
Net cash inflow/(outflow) from operating activities		2,029,080		(1,305,503)	
Investing activities					
Purchase of tangible fixed assets		(91,477)		(200,414)	
Proceeds on disposal of tangible fixed assets		-		(28,313)	
Receipts from associates		-		1,455,550	
Net cash (used in)/generated from investing activities		(91,477)		1,226,823	
Financing activities					
Payment of finance leases obligations		(29,174)		3,589	
Net cash (used in)/generated from financing activities		(29,174)		3,589	
Net increase/(decrease) in cash and cash equivalents		1,908,429		(75,091)	
Cash and cash equivalents at beginning of year		138,348		213,439	
Cash and cash equivalents at end of year		2,046,777		138,348	

UNITED ALUMINIUM LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1	Cash generated from/(absorbed by) operations	2020	2019
		£	£
	Profit for the year after tax	952,451	2,270,751
	Adjustments for:		
	Taxation charged	116,302	99,808
	Finance costs	4,240	4,601
	Gain on disposal of tangible fixed assets	-	(1,742)
	Depreciation and impairment of tangible fixed assets	128,283	85,730
	Other gains and losses	-	(1,455,550)
	Movements in working capital:		
	Increase in stocks	(93,208)	(1,072,344)
	Decrease/(increase) in debtors	1,481,320	(1,160,482)
	Decrease in creditors	(485,229)	(6,054)
	Cash generated from/(absorbed by) operations	2,104,159	(1,235,282)

2	Analysis of changes in net funds	1 January 2020	Cash flows	31 December 2020
		£	£	£
	Cash at bank and in hand	138,348	1,908,429	2,046,777
	Obligations under finance leases	(46,236)	29,174	(17,062)
		<u>92,112</u>	<u>1,937,603</u>	<u>2,029,715</u>

3 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.

3.1 Accounting convention

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

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

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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

3.2 Going concern

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

3.3 Turnover

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

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

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

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.

3.4 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.

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
-------------------	-------------------

3.5 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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

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.

3.6 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.

3.7 Stocks

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

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

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

3.8 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.

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

3.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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

Derecognition of financial liabilities

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

3.10 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.

3.11 Taxation

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

Current tax

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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

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.

3.12 Employee benefits

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

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

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

3.13 Retirement benefits

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

3.14 Leases

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

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

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

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Accounting policies

(Continued)

3.15 Government grants

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

3.16 Foreign exchange

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

3.17 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.

4 Judgements and key sources of estimation uncertainty

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

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

5 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Sales of goods	9,749,869	9,430,431
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other significant revenue		
Grants received	410,801	-
	<u> </u>	<u> </u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Turnover and other revenue (Continued)

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	9,660,260	9,356,892
Overseas	89,609	73,539
	<u>9,749,869</u>	<u>9,430,431</u>

6 Exceptional item

During the year the company wrote off related party loans of £NIL (2019: £1,455,550) owed to Lumenal Limited.

7 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(410,801)	-
Fees payable to the company's auditor for the audit of the company's financial statements	18,000	4,567
Depreciation of owned tangible fixed assets	117,665	64,805
Depreciation of tangible fixed assets held under finance leases	10,618	20,925
Profit on disposal of tangible fixed assets	-	(1,742)
Operating lease charges	7,131	20,065
	<u>7,131</u>	<u>20,065</u>

8 Employees

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

	2020 Number	2019 Number
Direct	46	48
Administrative	36	37
Directors	4	3
	<u>86</u>	<u>88</u>
Total	<u>86</u>	<u>88</u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,208,084	3,025,480
Social security costs	314,785	291,506
Pension costs	104,611	159,720
	<u>3,627,480</u>	<u>3,476,706</u>

9 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	234,455	217,296
Company pension contributions to defined contribution schemes	58,960	23,182
	<u>293,415</u>	<u>240,478</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 3).

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

	2020 £	2019 £
Remuneration for qualifying services	83,687	83,696
Company pension contributions to defined contribution schemes	53,799	7,372
	<u>137,486</u>	<u>91,068</u>

10 Interest payable and similar expenses

	2020 £	2019 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	4,240	4,601
	<u>4,240</u>	<u>4,601</u>

11 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	122,242	70,839
	<u>122,242</u>	<u>70,839</u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Taxation (Continued)

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	(5,940)	28,969
	<u> </u>	<u> </u>
Total tax charge	116,302	99,808
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Profit before taxation	1,068,753	2,370,559
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	203,063	450,406
Tax effect of expenses that are not deductible in determining taxable profit	849	-
Tax effect of income not taxable in determining taxable profit	-	(267,477)
Permanent capital allowances in excess of depreciation	-	5,530
Research and development tax credit	(69,525)	(70,083)
Patent box deduction	(18,085)	(18,568)
	<u> </u>	<u> </u>
Taxation charge for the year	116,302	99,808
	<u> </u>	<u> </u>

12 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2020 and 31 December 2020	120,000
	<u> </u>
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	120,000
	<u> </u>
Carrying amount	
At 31 December 2020	-
	<u> </u>
At 31 December 2019	-
	<u> </u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Tooling £	Total £
Cost						
At 1 January 2020	675,634	424,890	43,798	88,450	177,432	1,410,204
Additions	43,726	16,450	14,853	-	16,448	91,477
At 31 December 2020	719,360	441,340	58,651	88,450	193,880	1,501,681
Depreciation and impairment						
At 1 January 2020	466,028	342,865	38,954	54,248	135,953	1,038,048
Depreciation charged in the year	46,015	44,240	6,008	9,546	22,474	128,283
At 31 December 2020	512,043	387,105	44,962	63,794	158,427	1,166,331
Carrying amount						
At 31 December 2020	207,317	54,235	13,689	24,656	35,453	335,350
At 31 December 2019	209,606	82,025	4,844	34,202	41,479	372,156

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and equipment	42,474	78,798
Motor vehicles	-	7,613
	42,474	86,411

14 Stocks

	2020 £	2019 £
Raw materials and consumables	1,641,601	1,548,393

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	949,401	2,372,488
Amounts owed by group undertakings	2,818,465	2,652,438
Other debtors	47,601	337,554
Prepayments and accrued income	175,004	109,311
	<u>3,990,471</u>	<u>5,471,791</u>

16 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Obligations under finance leases	18	13,368	29,192
Trade creditors		801,191	1,216,923
Corporation tax		122,242	70,839
Other taxation and social security		293,940	470,154
Other creditors		35,975	68,135
Accruals and deferred income		347,470	208,593
		<u>1,614,186</u>	<u>2,063,836</u>

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

17 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	18	3,694	17,044
		<u>3,694</u>	<u>17,044</u>

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

18 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	13,368	29,192
In two to five years	3,694	17,044
	<u>17,062</u>	<u>46,236</u>

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	57,918	63,858
	<u>57,918</u>	<u>63,858</u>
Movements in the year:		2020 £
Liability at 1 January 2020		63,858
Credit to profit or loss		(5,940)
		<u>57,918</u>
Liability at 31 December 2020		<u>57,918</u>

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	104,611	159,720
	<u>104,611</u>	<u>159,720</u>

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

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary 'A' shares of £1 each	100	100	100	100
Ordinary 'B' shares of £1 each	5	5	5	5
	<u>105</u>	<u>105</u>	<u>105</u>	<u>105</u>

22 Contingencies

The company has given an unlimited guarantee on bank loans taken out by its parent company, Unibox Holdings Limited, amounting to £73,771 (2019: £123,404).

UNITED ALUMINIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Operating lease commitments

Lessee

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

	2020 £	2019 £
Within one year	52,915	154,118
Between two and five years	17,060	37,500
	<u>69,975</u>	<u>191,618</u>

24 Related party transactions

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

During the year, the company made sales of £NIL (2019: £272,275) to Lumenal Limited.

During the year, the company recorded purchases of £NIL (2019: £108,527) from Lumenal Limited.

During the year the company wrote off related company loans of £NIL (2019: £1,455,550) owed to Lumenal Limited.

At the year end, an amount of £NIL (2019: £10,000) was owed to Lumenal Limited.

During the year the company received rent of £NIL (2019: £45,000) and recharged £NIL (2019: £168,200) in respect of overheads to Lumenal Limited.

During the year, the company transferred fixed assets with a net book value of £NIL (2019: £30,797) 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 £2,818,465 (2019: £2,652,438) was due from Unibox Holdings Limited.

During the year, the company paid rental charges of £180,000 (2019: £235,000) to Unibox Holdings Limited.

During the year, the company paid management charges of £33,000 (2019: £198,000) to Unibox Holdings Limited.

25 Ultimate controlling party

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 company.

By virtue of a majority shareholding in the ultimate parent company, P N Wraith is the ultimate controlling party.

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