REGISTERED NUMBER: 13934232 (England and Wales)

# UNIGEL GROUP PLC

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

UNIGEL GROUP PLC
CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

**UNIGEL GROUP PLC**
**COMPANY INFORMATION**
**YEAR ENDED 31 DECEMBER 2024**

| | |
|---|---|
| **DIRECTORS:** | S J Sjoden<br>K H Chhoa<br>A E B Ariffin<br>G Revel-Chion |
| **SECRETARY:** | B Harber |
| **REGISTERED OFFICE:** | Unigel House<br>7 Park View<br>Alder Close<br>Eastbourne<br>East Sussex<br>BN23 6QE |
| **REGISTERED NUMBER:** | 13934232 (England & Wales) |
| **AUDITORS:** | Kreston Reeves LLP<br>2nd Floor<br>168 Shoreditch High Street<br>London<br>E1 6RA |

The directors present their strategic report of the company and the group for the year ended 31 December 2024.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The group turnover increased slightly during the year despite a challenging global market. Volumes increased in some sectors but decreased in others. Similarly, some sectors experienced falling material costs whilst costs in others increased, particularly in the United States due to increased tariffs. The gross margin percentage increased significantly during the year, although fluctuations in exchange rates, material prices, logistics costs and rising tariffs continue to affect profitability. The group continued to enter new markets and has expanded its project range.

For the forthcoming year the objectives are to increase market share and margins by improving manufacturing techniques and product formulations through investment in research and development.

The group will continue to venture into new geographical markets as well as continuing the expansion of its product range.

**PRINCIPAL RISKS AND UNCERTAINTIES**

By continuing to venture into new geographical markets the group hopes to minimise the risk arising from economic fluctuations in particular regions. The main risks continue to be associated with fluctuations in foreign currency exchange rates, particularly the US Dollar, the fluctuation in the price of raw materials and logistics costs, rising interest rates, inflationary pressure, rising US tariffs, disruption from global conflicts and liquidity ratios. The directors are aware of these risks and constantly monitor the conversion of currency to minimise this cost, regularly review financing options and also search for alternative suppliers to reduce direct costs.

The Audit and Risk Committee meets biannually to consider the main areas of risk to the group and to formulate procedures and controls to minimise the impact of any such risks.

**FINANCIAL RESULTS**

The turnover for the year was £29,172,801 (2023: £28,465,064) and the profit after tax was £1,663,181 (2023: £608,806). The gross profit percentage was 20.2% (2023: 14.4%).

**KEY PERFORMANCE INDICATORS**

The downturn in the global economy resulted in a decrease in turnover volume in some sectors, whilst others still increased, compared to the previous year. Despite this and fluctuating material and logistics costs, there was a rise in turnover value. In most geographical areas we were able to at least maintain our market share.

Research into improved product formulations and monitoring of alternative suppliers resulted in a greater decrease in the cost of sales so that the gross profit percentage increased significantly over the previous year. The group continued to investigate improved production methods in order to reduce material wastage.

Investment in staff development to improve all areas of the business continues to be an important focus for the group and it continues to operate a staff profit incentive scheme to help facilitate this objective.

**CHAIRMAN'S STATEMENT**

In 2024, we saw a promising recovery of the global fibre optic cable market with North American and APAC markets leading the recovery and market sentiment in other regional markets improving into 2025. According to the CRU Report, the global fibre optic cable market is expected to grow 8.1% in 2025 which bodes well for our portfolio of products and services. Despite the scourge of high interest rates, policy uncertainties and fiscal tightening among the major economies, we are cautiously optimistic with the outlook for our business performance in 2025.

**CHAIRMAN'S STATEMENT (continued)**

Continued telecom infrastructure investments in 5G and broadband cable networks, growth in internet traffic, data center expansion, cloud computing and the proliferation of AI are key trends driving the investment in digital communications infrastructure in the near and medium term despite global economic and political uncertainties.

The unilateral imposition of tariffs by the United States had negatively impacted the business of Unigel Group, especially in North America where raw materials imported into the US are subject to steep import duties. Unless there is an eventual roll back or reduction of import tariffs imposed by the US, our profit margins will be severely affected in the event if we are not able to pass the tariffs to our customers.

Group revenue in 2024 was £ 29.2 million compared to £28.5 million in 2023. Our aggregate profit after tax was £1.63 million in 2024, up £1.19 million from £0.44 million in 2023, or an increase of 370.5% compared to the preceding period.

Overall business performance improved in 2024 for both our thixotropic gel and steel tape businesses:

- **Thixotropic Gel** Our gel business volume decreased approximately 10.3% compared to year 2023, with a corresponding decrease in profit after tax of 3.4% over the same period. This represented a much lower volume decline compared to 2023.

- **Steel Tapes** Our steel tapes business registered revenue growth of 12.1%, with a corresponding increase in profit after tax of 212.8% over the same period.

The Group's after-tax profit improvement was contributed by stellar performance of our steel tapes business. Operational productivity gains, improved raw material and logistics cost, and higher shipment volume to key customers contributed positively to the overall profitability of the Group.

Our overall Group interest expenses was £63,153 in 2024, a significant decrease of 51.2% compared to £129,464 in 2023. The Group was able to reduce its interest expenses by improving our working capital and inventory management, better vendor financing terms and utilizing our internal financing capability.

During the operational year, the Company successfully acquired and integrated the 40.0% equity stake in Unigel (UK) Limited ("UUK") that it did not own from Unigel Compounds Sdn Bhd. The wholly owned UUK has enabled the Group to increase operational efficiency, improved market presence in APAC and contributed to cost structure improvement in the years to come.

The increasing geopolitical friction between the US and China has been exacerbated by Trump 2.0 in 2025. Increased trade barriers by way of highly escalated tariffs imposed by the United States on imports from China and other countries are having a negative impact on the Group's supply chain sourcing framework. Over the past year, our management team had made substantial strides in de-risking and diversifying our raw material supply chain away from China where possible, and we are working closely and involving our customer base in this crucial initiative. In the first quarter of 2025, we made significant capital commitments to increase localisation of production and onshoring into the US which will help shield our business from the negative effect of US import tariffs in the years to come.

The Unigel Group believes that there are substantial opportunities for us to grow organically and through acquisitions in the coming years. With the prolific growth of EVs and AI, and demand for green and renewable version of our product portfolios to support energy and data transmission, we are optimistic about the future of our businesses.

On behalf of my colleagues at the Board, I would like to express our gratitude to our shareholders for their continued support.

**SECTION 172 STATEMENT**

The directors are aware of their responsibilities to promote the success of the company in accordance with section 172 of the Companies Act 2006 and have acted in accordance with these responsibilities throughout the year.

The interests of stakeholders, whether they are shareholders, employees, customers or suppliers have been taken into consideration when making decisions and the company has regard to its impact on the community and the environment.

Shareholders form a vital part of the company's structure and provide the means for the company to achieve its long-term strategy. The Board therefore ensures it acts fairly with regard to its members. Employees are also crucial to the long-term success of the company so periodic reviews, encouraging attendance on training programmes and a staff incentive scheme form part of the company's development programme.

The company places great importance on maintaining a high standard of customer care and maintaining its reputation as a reliable business partner. This is made possible by maintaining an equally close relationship with suppliers to secure the onward supply chain. The company maintains regular contact with all of its customers and main suppliers to facilitate this.

The company is committed to minimising its impact on the environment by sourcing raw materials locally wherever possible. It also attempts to make a positive impact on the communities in which it operates by attempting to recruit employees locally.

**ON BEHALF OF THE BOARD:**

S J Sjoden – Director
14 May 2025

**UNIGEL GROUP PLC**
**REPORT OF THE DIRECTORS**
**YEAR ENDED 31 DECEMBER 2024**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2024.

**PRINCIPAL ACTIVITY**
The principal activity of the group in the period under review was the manufacture and sale of cable filling and flooding compounds and other materials used in telecommunications cables as well as associated pumping and delivery equipment.

**DIVIDENDS**
Dividends of £216,872 have been distributed for the year ended 31 December 2024 (2023: £282,125).

**DIRECTORS**
The directors and changes thereto are shown below:

S J Sjoden
K H Chhoa
A E B Ariffin
G Revel-Chion

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the Financial Statements in accordance with applicable laws 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 applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**POST BALANCE SHEET EVENTS AND FUTURE DEVELOPMENTS**
On 14 April 2025 the company declared a dividend on the ordinary share capital of £0.02 per share resulting in a dividend payable of £289,162. The dividend was paid on 6 May 2025.

Future developments have been considered in the Group Strategic Report on page 4 of these financial statements.

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

**ON BEHALF OF THE BOARD**

S J Sjoden – Director
14 May 2025

INDEPENDENT AUDITOR'S REPORT
*TO THE SHAREHOLDERS OF UNIGEL GROUP PLC*
*FOR THE YEAR ENDED 31 DECEMBER 2024*

## Opinion

We have audited the financial statements of Unigel Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2024 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheets, consolidated and company statements of changes in shareholders' equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant Group accounting policies.
In our opinion:

- The financial statements of Unigel Group PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended and of the Group's cashflows position as at 31 December 2024.
- The Group and Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The Group and Parent Company financial statements 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to listed entities, 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.

## An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

We determined the components of the Group by considering the overall structure of the Group and the Parent Company, the nature of their accounting processes and controls, and the industry in which they operate. Our scoping considerations for the Group audit were based on both financial information (such as the size and financial significance of each component) and the assessment of audit risk. We then tailored our audit approach to ensure sufficient audit work was performed across these components to enable us to express an opinion on the Group's financial statements as a whole.
Our scoping considerations for the Group audit were based both on financial information and risk. In total we have identified 5 distinct components within the group financial statements.

The table below summarises for the parent company and its subsidiaries, the level of assurance gained:

| Group component | Level of assurance |
|---|---|
| Unigel Group PLC | Full statutory audit (Kreston Reeves LLP) |
| Unitape Limited | Full statutory audit (Kreston Reeves LLP) |
| Unitape LLC | Full statutory component audit (Smith Leonard PLLC, incorporated in USA) |
| Unigel (UK) Limited | Full statutory audit (Kreston Reeves LLP) |
| Unigel Inc | Full statutory component audit (Smith Leonard PLLC, incorporated in USA) |
| Unigel Technologies Limited | Outside of the scope |

**Involvement of a component auditor**

We have involved Smith Leonard PLLC in the conduct of the Group audit for the year ended 31 December 2024. The component auditor undertook specific audit procedures with respect to the financial information of the components listed in the table above. This work was undertaken in full compliance with the requirements of ISA 600.

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. Based on our professional judgement, we determined materiality and performance materiality for the financial statements of the Group and of the Parent Company as follows:

| | Group financial statements | Parent company financial statements |
|---|---|---|
| Materiality | £290,000 (2023: £300,000) | £70,000 (2023: £13,000) |
| Basis for determining materiality | 1% of annual turnover | 2% of gross assets |
| Rationale for benchmark applied | The group's principal activity is that of selling gel material for fibre optic cables and steel tape. To this end, the business is highly revenue focused. Therefore, a benchmark for materiality of revenue of the group is considered to be appropriate. | The parent company's principal activity is that of a holding company. To this end, the business is highly asset focused. Therefore, a benchmark for materiality of the gross assets of the group is considered to be appropriate. |
| Performance materiality | £203,000 (2023: 210,000) | £49,000 (2023: £9,100) |
| Basis for determining performance materiality | 70% of materiality | 70% of materiality |
| Reporting threshold | £14,500 (2023: £15,000) | £3,500 (2023: £650) |
| Basis for determining reporting threshold | 5% of materiality | 5% of materiality |

We reported all audit differences found in excess of our reporting threshold to the audit committee.

For each Group component within the scope of our Group audit, we determined performance materiality that is less than our overall Group performance materiality. The performance materiality determined for each Group company was between £49,000 and £126,000.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters, including going concern, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<table>
<tr><th colspan="2">Revenue recognition: £29,172,801 (2023: £28,465,064)</th></tr>
<tr><td>Significance and nature of key audit matter</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td>Revenue is a key performance indicator for users in assessing the group's financial statements. Revenue generated has a significant impact on cash inflows and profit before tax for the group. As such revenue is a key determinant in profitability and the group's ability to generate cash.<br><br>Revenue comprises sale of cable filling and flooding compounds and associated pumping and delivery equipment.<br><br>Gel and tape sales are recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured.</td><td>Gel sale and steel tape revenue was substantively tested from initiation, through to sales invoice and contracts, through to entry into the accounting system. The recognition stages detailed in the relevant standards were carefully considered to ensure revenue recognised was in line with these and a substantive approach was taken.<br><br>Walkthrough testing was performed to ensure that key systems and controls in place around the revenue cycle operated as designed.<br><br>The accuracy of revenue disclosures in the accounts were confirmed to be consistent with the revenue cycle observed and audited. The completeness of these disclosures was confirmed by reference to the full disclosure requirements as detailed in FRS 102.</td></tr>
<tr><td colspan="2">Key observations<br><br>We have no concerns over the material accuracy of the balance in the financial statements.</td></tr>
</table>

**Valuation/amortisation of intangible assets: £583,032 (2023: £480,612)**

| Significance and nature of key audit matter | How our audit addressed the key audit matter |
|---|---|
| The capitalisation of research and development is material to the financial statements and is considered significant due to its complexities.<br><br>Amortisation on development costs is not charged until production development is commercially viable and meets the requirement of FRS102.<br><br>Development costs consist of payroll costs, consultancy fees, samples & testing, and lab consumption which are associated with the development of the gel produced by the company. | The accounting requirements of FRS 102 were considered to ensure the capitalisation of costs was appropriate, including the recognition of new goodwill during the period under review.<br><br>Amortisation of development costs were below performance materiality therefore it was considered not necessary to test.<br>The accuracy and appropriateness of development and goodwill disclosures in the financial statements were confirmed to be consistent with the accounting cycle observed and audited. |

**Key observations**

We have no concerns over the material accuracy of intangible assets values recognised in the financial statements.

**Debtors provisioning:**

| Significance and nature of key audit matter | How our audit addressed the key audit matter |
|---|---|
| The value of trade receivables is material to the financial statements and is considered significant due to the current uncertainty in the overall economy.<br><br>The risk is that the trade receivable provisioning is understated in the financial statements. | The trade receivables listing was obtained and agreed to the financial statements to ensure the gross trade receivables was accurate.<br><br>A sample weighted towards the higher valued trade receivables was obtained and verified against after date cash receipts. There were no significant doubts surrounding receipts for the sampled debtor balances.<br><br>A review for non-trivial credit notes raised after the balance sheet date was undertaken, nothing of significance was identified.<br><br>The oldest outstanding debtor balances were reviewed for additional provision. There was nothing to note. |

**Key observations**

We have no concerns over the material accuracy of trade receivable values recognised in the financial statements.

| Stock provisions: | |
|---|---|
| **Significance and nature of key audit matter** | **How our audit addressed the key audit matter** |
| Stock provisions are an estimate which have a degree of subjectivity and therefore these assumptions need to be stress tested. | We reviewed the stock listings and the subsequent provisioning thereon to ensure that the provision is not materially understated.<br><br>Post period end sales were reviewed to ensure that the net realisable value (NRV) is greater than the cost stated in the financial statements. In addition, discussions and reviews took place in order to identify whether any damaged or obsolescent stock is present at the balance sheet date.<br><br>The accuracy and appropriateness of provisions were considered. |
| **Key observations**<br><br>We have no concerns over the material accuracy of stock provision values recognised in the financial statements. | |

**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.

We performed the following audit procedures:

- Gaining an understanding of the systems and controls around managements' going concern assessment, including for the preparation and review process for forecasts and budgets.
- Evidence was obtained that management have undertaken a formal going concern assessment, including sensitivity analysis on cash flow forecasts, clear consideration of external factors including the increase in interest rates and the potential liquidity impact of these on cash balances including available facilities.
- We tested the mechanical integrity of forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to empirical data and external evidence.
- Based on our above assessment we performed our own sensitivity analysis in respect of the key assumptions underpinning the forecasts.
- We considered post period end performance of the business and any significant events which may impact the going concern of the group.
- The group's banking facility documentation was reviewed to ensure that any covenants in place have not been breached.
- We reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

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 or the 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.

### Our consideration of climate change related risks

The financial impacts on the Group of climate change and the transition to a low-carbon economy (climate change) were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements.

The Group continues to develop its assessment of the potential impacts of climate change. Climate risks have the potential to materially impact the key judgements and estimates within the financial report. Our audit considered those risks that could be material to the key judgements and estimates in the assessment of the carrying value of non-current assets and closure and rehabilitation provisions.

The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the Group's accounting policies. Accordingly, our key audit matters address how we have assessed the Group's climate-related assumptions to the extent they impact each key audit matter.

### 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. 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 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.

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

In the light of our 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 (set out on page 7), 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 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 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.

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.

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgmental areas of the financial statements such as the valuation of stock and other provisions. Audit procedures performed by the group engagement team included:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework and the relevant tax compliance regulations in the jurisdictions in which Unigel Group PLC operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, mainly relating to health and safety, employee matters, bribery and corruption practices, environmental and certain aspects of company legislation.

- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and

- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations; and

- Challenging assumptions and judgements made by management in its significant accounting estimates; and

- Checking and reperforming the reconciliation of key control accounts; and

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

- Reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant tax and regulatory authorities; and

- Review of internal controls and physical inspection of tangible assets and stocks susceptible to fraud or irregularity; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 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.

Kreston Reeves LLP

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
**Kreston Reeves LLP**
Chartered Accountants
Statutory Auditor
London
Date: 14 May 2025

## UNIGEL GROUP PLC
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## YEAR ENDED 31 DECEMBER 2024

| | Notes | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| **TURNOVER** | **2** | **29,172,801** | 28,465,064 |
| Cost of sales | | **(23,273,536)** | (24,378,323) |
| **GROSS PROFIT** | | **5,899,265** | 4,086,741 |
| Administrative expenses | | **(3,816,214)** | (3,165,984) |
| **OPERATING PROFIT** | **3** | **2,083,051** | 920,757 |
| Interest receivable and similar income | | **109,319** | 24,204 |
| Interest payable and similar charges | **4** | **(63,153)** | (129,464) |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | **2,129,217** | 815,497 |
| Tax on profit on ordinary activities | **7** | **(466,036)** | (206,691) |
| **PROFIT FOR THE FINANCIAL PERIOD FOR THE GROUP** | | **1,663,181** | 608,806 |
| ***Other comprehensive income for the period*** | | | |
| (Loss)/gain on foreign exchange | | **22,230** | (80,476) |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **1,685,411** | 528,330 |
| Minority interest | | **(58,403)** | (89,094) |
| **TOTAL COMPREHENSIVE INCOME FOR THE GROUP** | | **1,627,008** | 439,236 |

**CONTINUING OPERATIONS**
None of the group's activities were acquired or discontinued during the current year or the previous year.

**The notes on pages 24 to 35 form part of these financial statements**

UNIGEL GROUP PLC
REGISTERED NUMBER: 13934232
CONSOLIDATED BALANCE SHEET
31 DECEMBER 2024

| | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 9 | | 583,032 | | 480,612 |
| Tangible assets | 10 | | 1,180,255 | | 1,256,611 |
| | | | 1,763,287 | | 1,737,223 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 12 | 6,354,253 | | 4,979,027 | |
| Debtors | 13 | 4,211,623 | | 2,711,296 | |
| Cash at bank and in hand | | 324,168 | | 402,568 | |
| | | 10,890,044 | | 8,092,891 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 14 | 7,539,707 | | 6,981,569 | |
| **NET CURRENT ASSETS** | | | 3,350,337 | | 1,111,322 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 5,113,624 | | 2,848,545 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 15 | | 15,543 | | 23,832 |
| **PROVISIONS FOR LIABILITIES** | | | | | |
| Deferred tax | 17 | | 167,681 | | 254,578 |
| **NET ASSETS** | | | 4,930,400 | | 2,570,135 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | | 72,291 | | 56,425 |
| Share premium | 19 | | 2,483,933 | | 469,011 |
| Profit and loss account | 19 | | 2,389,093 | | 992,961 |
| Translation reserve | | | (14,917) | | (28,921) |
| **EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY** | | | 4,930,400 | | 1,489,476 |
| Minority interest | | | - | | 1,080,659 |
| **SHAREHOLDERS' FUNDS** | | | 4,930,400 | | 2,570,135 |

The financial statements were approved by the Board of Directors on 14 May 2025 and were signed on its behalf by:

S J Sjoden
Director

*The notes on pages 24 to 35 form part of these financial statements*

**UNIGEL GROUP PLC**
**REGISTERED NUMBER: 13934232**
**COMPANY BALANCE SHEET**
**31 DECEMBER 2024**

| | Notes | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Investments in subsidiaries | 11 | | **400** | | 400 |
| | | | **400** | | 400 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 13 | **3,473,128** | | 2,621,597 | |
| Cash at bank and in hand | | **21,091** | | 4,081 | |
| | | **3,494,219** | | 2,625,678 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 14 | **96,879** | | 2,065,124 | |
| **NET CURRENT ASSETS** | | | **3,397,340** | | 560,554 |
| **NET ASSETS** | | | **3,397,740** | | 560,954 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | | **72,291** | | 56,425 |
| Share premium | 19 | | **2,483,933** | | 469,011 |
| Profit and loss account brought forward | | **35,518** | | 344,907 | |
| (Loss)/profit for the year | | **1,022,870** | | (27,264) | |
| Dividend declared | | **(216,872)** | | (282,125) | |
| Profit and loss account carried forward | 19 | | **841,516** | | 35,518 |
| **SHAREHOLDERS' FUNDS** | | | **3,397,740** | | 560,954 |

The financial statements were approved by the Board of Directors on 14 May 2025 and were signed on its behalf by:

S J Sjoden
Director

**The notes on pages 24 to 35 form part of these financial statements**

# UNIGEL GROUP PLC
# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
# 31 DECEMBER 2024

| Group | Share capital | Share premium | Retained earnings | Translation reserve | Minority interest | Total equity |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| At 1 January 2023 | 56,425 | 469,011 | 780,745 | 26,184 | 991,565 | 2.323,930 |
| ***Comprehensive income for the year*** | | | | | | |
| Profit for the year | - | - | 608,806 | - | - | 608,806 |
| Minority interest in profit/(loss) for the year | - | - | (89,094) | - | 89,094 | - |
| Other comprehensive income/(loss) for the year | - | - | (25,371) | (55,105) | - | (80,476) |
| Dividends paid | - | - | (282,125) | - | - | (282,125) |
| **Total comprehensive income for the year at 31 December 2023** | 56,425 | 469,011 | 992,961 | (28,921) | 1,080,659 | 2,570,135 |
| Upon issue of shares | 15,866 | 2,014,922 | - | - | - | 2,030,788 |
| Upon acquisitions | - | - | - | - | (1,139,062) | (1,139,062) |
| ***Comprehensive income for the period*** | | | | | | |
| Profit for the period | - | - | 1,663,181 | - | - | 1,663,181 |
| Minority interest in profit/(loss) for the period | - | - | (58,403) | - | 58,403 | - |
| Other comprehensive income/(loss) for the period | - | - | 8,226 | 14,004 | - | 22,230 |
| Dividends paid | - | - | (216,872) | - | - | (216,872) |
| **Total comprehensive income for the year at 31 December 2024** | 72,291 | 2,483,933 | 2,389,093 | (14,917) | - | 4,930,400 |

| Company | Share capital | Share premium | Retained earnings | Translation reserve | Minority interest | Total equity |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| At 1 January 2023 | 56,425 | 469,011 | 344,907 | - | - | 870,343 |
| ***Comprehensive income for the year*** | | | | | | |
| (Loss) for the year | - | - | (27,264) | - | - | (27,264) |
| Dividends paid | - | - | (282,125) | - | - | (282,125) |
| **Total comprehensive income for the year at 31 December 2023** | 56,425 | 469,011 | 35,518 | - | - | 560,954 |
| Upon issue of shares | 15,866 | 2,014,922 | - | - | - | 2,030,788 |
| ***Comprehensive income for the period*** | | | | | | |
| Profit for the period | - | - | 1,022,870 | - | - | 1,022,870 |
| Dividends paid | - | - | (216,872) | - | - | (216,872) |
| **Total comprehensive income for the year at 31 December 2024** | 72,291 | 2,483,933 | 814,516 | - | - | 3,397,740 |

**UNIGEL GROUP PLC**
**CONSOLIDATED CASH FLOW STATEMENT**
**YEAR ENDED 31 DECEMBER 2024**

| | Note | 2024 £ | 2024 £ | 2023 £ | 2023 £ |
|---|---|---|---|---|---|
| **Net cash inflow/(outflow) from operating activities** | **1** | | **1,382,971** | | 1,181,246 |
| **Returns on investments and servicing of finance** | **2** | | **(1,476,505)** | | (382,459) |
| **Taxation** | | | **(380,099)** | | (274,099) |
| **Capital expenditure** | **2** | | **(68,550)** | | (124,322) |
| | | | **(542,183)** | | 400,366 |
| **Financing** | **2** | | **463,783** | | (728,658) |
| **(Decrease)/increase in cash in the period** | | | **(78,400)** | | (328,292) |

**Reconciliation of net cash flow to movement in net debt**

| | 2024 £ | 2023 £ |
|---|---|---|
| (Decrease)/increase in cash in the period | **(78,400)** | (328,292) |
| Cash inflow/(outflow) from movement in debt | **(463,783)** | 728,658 |
| Change in net debt resulting from cash flows | **(542,183)** | 400,366 |
| **Net debt at 31 December 2023** | **(128,060)** | (528,426) |
| **Net debt at 31 December 2024** | **(670,243)** | (128,060) |

UNIGEL GROUP PLC
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2024

## 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Operating profit | **2,083,051** | 920,757 |
| Depreciation and amortisation charges | **215,404** | 202,278 |
| Loss on fixed asset disposals | **6,750** | 33,318 |
| (Increase)/Decrease in stocks | **(1,375,226)** | 3,778,518 |
| (Increase)/Decrease in debtors | **(1,448,391)** | 2,961,136 |
| Increase/(Decrease) in creditors | **1,901,383** | (6,714,761) |
| **Net cash inflow from operating activities** | **1,382,971** | 1,181,246 |

## 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Returns on investments and servicing of finance** | | |
| Proceeds on sale of fixed assets | **701** | 4,926 |
| Purchase of minority interest | **(1,306,500)** | - |
| Interest receivable and similar income | **109,319** | 24,204 |
| Interest payable and similar charges | **(63,153)** | (129,464) |
| Dividends paid | **(216,872)** | (282,125) |
| **Net cash outflow for returns on investments and servicing of finance** | **(1,476,505)** | (382,459) |
| **Capital expenditure** | | |
| Purchase of intangible fixed assets | **(26,453)** | (17,557) |
| Purchase of tangible fixed assets | **(42,097)** | (106,765) |
| **Net cash outflow for capital expenditure** | **(68,550)** | (124,322) |
| **Financing** | | |
| New loan received/(loan repaid) | **463,783** | (728,658) |
| **Net cash inflow from financing** | **463,783** | (728,658) |

## 1. ACCOUNTING POLICIES

**Company information**
The company is a public limited company incorporated in England and Wales (registered number 13934232) and its registered office and principal place of business is Unigel House, 7 Park View, Alder Close, Eastbourne, BN23 6QE.

The principal activity of the group is the manufacture and sale of cable filling and flooding compounds and associated pumping and delivery equipment.

**Accounting convention and basis of preparation**
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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of the consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies. Information is given in the accounting policies noted below.

**Going concern**
The group meets its working capital requirements through the receipt of revenue from global sales of cable filling and flooding compounds. Ultimately the receipt of revenue depends upon the availability of liquidity for the group's customers and the level of activity in the telecommunications market.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient liquidity in place for the business and have considered the effect on the group's business from different scenarios in various countries with which it trades. Based on this assessment, and having regard to the post year-end cash reserves and trading levels of the group, related party funding and the borrowing facility available from the group's bankers, the directors believe they have a reasonable expectation that the group will have adequate resources to continue to discharge its debts and liabilities as they fall due for the foreseeable future. The directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

**Basis of consolidation**
The consolidated financial statements comprise the financial statements of the company and its subsidiary undertakings as at the balance sheet date. The financial statements of the subsidiaries are prepared to the same reporting date as the company. The subsidiaries are consolidated from the date of acquisition, being the date on which the group obtained control.

In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full.

**Turnover**
Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding sales taxes, except in respect of goods sold on consignment where turnover is recognised when the group obtains the right to consideration.

***Sale of goods***
Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## 1. ACCOUNTING POLICIES (CONTINUED)

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Freehold property | - straight line on cost over 39 years |
| Improvements to property | - straight line on cost over the period of the lease |
| Plant and machinery | - straight line on cost over 15 years |
| Fixtures and fittings | - 15% on reducing balance and straight line on cost over 7 years |
| Office and computer equipment | - straight line on cost over 4-5 years |

**Intangible fixed assets**
Development costs and goodwill are amortised over their minimum expected useful lives of 10 years. Patents and licences are amortised over 20 years.

**Stocks**
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items, on a FIFO basis.

**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.

**Cash and cash equivalents**
Cash is represented by cash in hand and deposits with financial institutions repayable 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.

**Financial instruments**
The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**Research and development**
Expenditure on pure and applied research and development is charged to the statement of comprehensive income in the year in which it is incurred.

Product development costs are capitalised in the year in which they are incurred, and subsequently amortised over the estimated useful economic life of the products developed.

**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.

**Taxation**
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## 1. ACCOUNTING POLICIES (CONTINUED)

**Foreign currencies**
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income. The functional currency of the company is Sterling.

The financial statements of the subsidiary undertakings whose functional currency is US Dollars have been translated into Sterling using the average rate to translate the profit and loss account and the closing rate to translate the balance sheet.

**Hire purchase and leasing commitments**
Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

**Investments**
Investments in subsidiaries are measured at cost less accumulated impairment. The cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**Judgements in Applying Accounting Policies and Key Sources of Estimation**
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

***Intangible fixed assets***
The useful economic life of capitalised development costs is assessed having regard to industry knowledge and anticipated future demand for particular products. Costs are amortised over a period estimated to correspond with future economic benefits of no more than 10 years. The net book value of intangible fixed assets at the balance sheet date was £583,032 (2023: £480,612).

***Debtors provision***
The risk of debtor default is assessed by reference to overdue amounts and recent payment history. If there is a deemed material risk of non-payment a provision is made. The value of trade debtors, after any required provisions, at the balance sheet date was £3,831,467 (2023: £2,373,186).

***Stock provision***
Non-moving, slow moving and short dated stocks are assessed at the balance sheet date and if it is deemed that there is a material risk that some or all of the stock cannot be sold, then a provision is made. The value of stock, after any required provisions, at the balance sheet date was £6,354,253 (2023: £4,979,027).

## 2. TURNOVER

Group turnover is comprised as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Unigel (UK) Limited | **10,981,556** | 12,235,950 |
| Unitape Limited | **18,191,245** | 16,229,114 |
| | **29,172,801** | 28,465,064 |

The company has not disclosed a geographical analysis of turnover as, in the opinion of the directors, the information is commercially sensitive.

## 3. OPERATING PROFIT

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

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Hire of plant and machinery | **48,467** | 49,807 |
| Other operating leases | **190,923** | 183,782 |
| Depreciation - owned assets | **123,933** | 127,987 |
| Amortisation – owned assets | **91,471** | 74,291 |
| Fees payable to the company's auditor for the audit of the company's annual accounts | **24,850** | 21,000 |
| Fees payable to the subsidiary's auditor for the audit of the subsidiary's annual accounts | **27,500** | 43,000 |
| Foreign exchange differences | **41,564** | (201,075) |

## 4. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Factoring interest | **54,770** | 124,253 |
| Loan and other interest | **8,383** | 5,211 |
| | **63,153** | 129,464 |

## 5. STAFF COSTS

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Directors' remuneration | **240,545** | 173,856 |
| Other wages and salaries | **1,733,485** | 1,591,717 |
| Pension costs | **24,577** | 19,765 |
| Social security costs | **176,222** | 145,753 |
| | **2,174,829** | 1,931,091 |

The highest paid director received remuneration of £119,112 (2023: £116,400).

Employer contributions to directors' pension schemes were £1,023 (2023: £nil).

The average number of employees during the year was as follows:

| | 2024 | 2023 |
|---|---|---|
| Directors | **9** | 9 |
| Sales, scientific & administration | **17** | 20 |
| Manufacturing | **31** | 19 |
| | **57** | 48 |

## 6. OBLIGATIONS UNDER OPERATING LEASES

At 31 December 2024 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Less than 1 year | **105,514** | 164,073 | **10,186** | 6,000 |
| Later than 1 year and not later than 5 years | **139,874** | 193,670 | **40,744** | - |
| | **245,388** | 357,743 | **50,930** | 6,000 |

## 7. TAXATION

The tax charge on the profit on ordinary activities was as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Current tax: | | |
| Corporation tax | **656,130** | 281,730 |
| Deferred taxation | **(137,865)** | (39,786) |
| Prior year: corporation tax over provision | **(52,229)** | (35,253) |
| Tax on profit on ordinary activities | **466,036** | 206,691 |

**Factors affecting the tax charge**

There were no new factors affecting future tax changes.

The tax assessed for the tax year is different to the standard rate of corporation tax in the UK. The difference is explained below:

| | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| Profit on ordinary activities before tax | **2,129,675** | 815,497 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.00% (2023 – 23.50%) | **532,419** | 191,642 |
| Effects of: | | |
| Expenses not deductible for tax | **75,100** | 33,800 |
| Depreciation in excess of/(less than) capital allowances | **11,000** | (1,900) |
| Research & development enhanced expenditure | **(12,800)** | (13,200) |
| Deferred tax provision on timing differences | **(137,865)** | (39,786) |
| Tax losses not deductible | **3,000** | 3,300 |
| Tax losses not claimed | **46,800** | 69,300 |
| Foreign exchange gain on inter-company account | **(200)** | (1,600) |
| Over-provision in prior year | **(1,293)** | (15,285) |
| Over-provision in prior year from group relief claim | **(50,936)** | (19,968) |
| Tax rate and other differences | **811** | 388 |
| Current tax charge | **466,036** | 206,691 |

## 8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,022,870 (2023: loss of £27,264).

## 9. INTANGIBLE FIXED ASSETS

| Group | Development costs £ | Goodwill and other intangibles £ | Total £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2024 | **786,974** | **16,417** | **803,391** |
| Additions | **26,453** | **167,438** | **193,891** |
| Disposals | **-** | **-** | **-** |
| At 31 December 2024 | **813,427** | **183,855** | **997,282** |
| **AMORTISATION** | | | |
| At 1 January 2024 | **309,675** | **13,104** | **322,779** |
| Charge for the year | **81,343** | **10,128** | **91,471** |
| On disposals | **-** | **-** | **-** |
| At 31 December 2024 | **391,018** | **23,232** | **414,250** |
| **NET BOOK VALUE** | | | |
| At 31 December 2024 | **422,409** | **160,623** | **583,032** |
| At 31 December 2023 | 477,299 | 3,313 | 480,612 |

## 10. TANGIBLE FIXED ASSETS

**Group**

| | Freehold property £ | Improvements to property £ | Plant and machinery £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2024 | **600,240** | **14,322** | **2,287,891** |
| Additions | - | **-** | **26,453** |
| Disposals | - | **-** | **(43,772)** |
| Exchange differences | **7,891** | **92** | **26,455** |
| At 31 December 2024 | **608,131** | **14,414** | **2,297,027** |
| **DEPRECIATION** | | | |
| At 1 January 2024 | **150,338** | **12,882** | **1,504,233** |
| Charge for year | **14,186** | **464** | **99,625** |
| On disposals | **-** | **-** | **(36,386)** |
| Exchange differences | **2,234** | **82** | **19,473** |
| At 31 December 2024 | **166,758** | **13,428** | **1,586,945** |
| **NET BOOK VALUE** | | | |
| At 31 December 2024 | **441,373** | **986** | **710,082** |
| At 31 December 2023 | 449,902 | 1,440 | 783,658 |

## 10. TANGIBLE FIXED ASSETS (CONTINUED)

**Group (continued)**

| | Fixtures and fittings £ | Office and computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2024 | 16,147 | 67,514 | 2,986,114 |
| Additions | - | 15,644 | 42,097 |
| Disposals | - | (191) | (43,963) |
| Exchange differences | 116 | 673 | 35,227 |
| At 31 December 2024 | 16,263 | 83,640 | 3,019,475 |
| **DEPRECIATION** | | | |
| At 1 January 2024 | 13,869 | 48,181 | 1,729,503 |
| Charge for year | 412 | 9,246 | 123,933 |
| On disposals | - | (126) | (36,512) |
| Exchange differences | 115 | 392 | 22,296 |
| At 31 December 2024 | 14,396 | 57,693 | 1,839,220 |
| **NET BOOK VALUE** | | | |
| At 31 December 2024 | 1,867 | 25,947 | 1,180,255 |
| At 31 December 2023 | 2,278 | 19,333 | 1,256,611 |

## 11. FIXED ASSET INVESTMENTS

**Company**

| | £ |
|---|---|
| **COST** | |
| At 1 January 2024 and 31 December 2024 | 400 |
| **NET BOOK VALUE** | |
| At 31 December 2023 and 2024 | 400 |

The investments are held at cost less provision for impairment. The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

**Unitape Limited**
Country of incorporation: England & Wales
Nature of business: Manufacture and distribution of materials used in telecommunication cables.
Registered office: Unigel House, 7 Park View, Alder Close, Eastbourne, East Sussex, BN23 6QE, England.

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

The sub-group made a profit of £1,679,193 for the year ended 31 December 2024 (2023: £536,787) and at that date had net assets of £2,444,901 (2023: £1,875,708).

## 11. FIXED ASSET INVESTMENTS (CONTINUED)

**Subsidiaries (continued)**

**Unigel Technologies Limited**
Country of incorporation: Hong Kong
Nature of business: Investment holding
Registered office: 26/F Beautiful Group Tower, 77 Connaught Road Central, Central, Hong Kong

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

The company made a profit of £88,126 for the year ended 31 December 2024 (2023: loss of £13,925) and at that date had net assets of £288,239 (2023: £300,113).

The directors perform an impairment review every balance sheet date and periodically throughout the year to assess whether any provision is required against the carrying value of investments in the balance sheet.

During the year Unigel Technologies Limited acquired the minority interest of 40% in Unigel (UK) Limited, which is now a 100% owned subsidiary.

## 12. STOCKS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Raw materials | **5,115,309** | 4,252,177 | - | - |
| Finished goods and equipment for sale | **1,238,944** | 726,850 | - | - |
| | **6,354,253** | 4,979,027 | - | - |

## 13. DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | **3,831,467** | 2,373,186 | **29,834** | - |
| Amounts recoverable on consignment stock contracts | **138,603** | 121,856 | - | - |
| Amounts due from related parties | - | - | **3,437,288** | 2,262,275 |
| Dividends receivable | - | - | - | 350,000 |
| Other debtors | - | 1,565 | - | - |
| Taxes recoverable | **42,651** | 27,230 | - | 3,717 |
| Deferred tax (note 17) | **51,936** | - | - | - |
| Prepayments and accrued income | **146,966** | 187,459 | **6,006** | 5,605 |
| | **4,211,623** | 2,711,296 | **3,473,128** | 2,621,597 |

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Bank loans and overdrafts (note 16) | **978,868** | 506,796 | **-** | - |
| Amounts due to related parties | **-** | 2,180,788 | **-** | 2,030,788 |
| Trade creditors | **4,461,387** | 3,306,433 | **10,048** | 1,790 |
| Corporation tax | **603,347** | 378,020 | **-** | - |
| Social security and other taxes | **69,205** | 51,928 | **45,230** | 5,360 |
| Dividends payable | **50,000** | 220,000 | **-** | - |
| Other creditors and accruals | **1,376,900** | 337,604 | **41,601** | 27,186 |
| | **7,539,707** | 6,981,569 | **96,879** | 2,065,124 |

## 15. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Bank loans and overdrafts (note 16) | **15,543** | 23,832 | **-** | - |
| | **15,543** | 23,832 | **-** | - |

## 16. SECURED DEBTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Factoring advance | **970,265** | 498,676 | **-** | - |
| Bank loans and overdrafts | **24,146** | 31,952 | **-** | - |
| | **994,411** | 530,628 | **-** | - |

The group's borrowing facilities are secured by way of a fixed and floating charge over the assets of the company in which the borrowing is located. The factoring facility is provided on a rolling basis and interest is charged at a rate of 2.5% above SOFR.

## 17. DEFERRED TAX

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Brought forward at 1 January | **254,578** | 300,519 | **-** | - |
| Charge/(credit) for the year | **(137,865)** | (39,786) | **-** | - |
| Foreign currency translation differences | **(968)** | (6,155) | **-** | - |
| Carried forward at 31 December | **115,745** | 254,578 | **-** | - |
| Deferred tax asset | **(51,936)** | - | | |
| Deferred tax liability | **167,681** | 254,578 | **-** | - |

17. **DEFERRED TAX (CONTINUED)**

The provision carried forward is comprised as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Accelerated capital allowances | **163,793** | 140,909 | - | - |
| R & D enhanced expenditure claimed | **105,602** | 119,325 | - | - |
| Future R & D credits | **(150,124)** | - | | |
| Short term timing differences | **(3,526)** | (5,656) | - | - |
| | **115,745** | 254,578 | - | - |

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | **2024** **£** | 2023 £ |
|---|---|---|---|---|
| 14,458,106 (2023: 11,285,000) | Ordinary | £0.005 | **72,291** | 56,425 |

During the year the company issued 3,173,106 ordinary shares at a par value of £0.005 each with a value of £15,866.

19. **RESERVES**

| **Group** | **Share premium** | **Retained earnings** | **Translation reserve** | **Minority interest** | **Total equity** |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| At 1 January 2024 | **469,011** | **992,961** | **(28,921)** | **1,080,659** | **2,513,710** |
| Upon issue of shares | **2,014,922** | - | - | - | **2,014,922** |
| Upon acquisitions | - | - | - | **(1,139,062)** | **(1,139,062)** |
| Profit for the year | - | **1,663,181** | - | - | **1,663,181** |
| Minority interest in profit/(loss) for the year | - | **(58,403)** | - | **58,403** | - |
| Other comprehensive income | - | **8,226** | **14,004** | - | **22,230** |
| Dividends paid | - | **(216,872)** | - | - | **(216,872)** |
| **At 31 December 2024** | **2,483,933** | **2,389,093** | **(14,917)** | - | **4,858,109** |

| **Company** | **Share premium** | **Retained earnings** | **Translation reserve** | **Minority interest** | **Total equity** |
|---|---|---|---|---|---|
| | **£** | **£** | **£** | **£** | **£** |
| At 1 January 2024 | **469,011** | **35,518** | - | - | **504,529** |
| Upon issue of shares | **2,014,922** | - | - | - | **2,014,922** |
| Profit for the year | - | **1,022,870** | - | - | **1,022,870** |
| Dividends paid | - | **(216,872)** | - | - | **(216,872)** |
| **At 31 December 2024** | **2,483,933** | **841,516** | - | - | **3,325,449** |

## 19. RESERVES (continued)

The share premium account represents the premium paid by shareholders over and above the nominal price of shares purchased.

Retained earnings represent the accumulated profits or losses attributable to the group after dividends paid.

The translation reserve represents exchange differences on the reserves and inter-company balances with the company's overseas subsidiaries.

The minority interest represents the retained earnings attributable to any minority shareholders in the group's subsidiary companies.

## 20. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is Hikari Capital Limited, a company incorporated in Hong Kong. Enquiries on the availability of the accounts of the company should be sent to 26th Floor, Beautiful Group Tower, 77 Connaught Road Central, Central, Hong Kong.

## 21. RELATED PARTY DISCLOSURES

**a) Hextar Capital Berhad (formerly Opcom Holdings Berhad)**
Major Shareholder in Unigel (UK) Limited

Unigel Compounds Sdn Bhd, a fully owned subsidiary of Hextar Capital Berhad provided services to the group during the period. The value of services provided during the year and the balance outstanding at the period-end were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Sales | **2,539** | 128,259 | - | - |
| Debtor at balance sheet date | - | 10,083 | - | - |
| Purchases | **72,129** | 2,994,774 | - | - |
| Creditor at balance sheet date | **50,000** | 836,902 | - | - |

**b) Unigel IP Limited**
Common directorship

Unigel IP Limited provided services and a loan to the group in the period. The value of services provided and interest charged during the period and the balance outstanding at the period-end were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Licence fees, interest and costs payable | **453,243** | 493,175 | - | - |
| Creditor, loan, accrued costs and interest at balance sheet date | **457,387** | 559,631 | - | - |

## 21. RELATED PARTY DISCLOSURES (continued)

**c) Unigel Siber Inc.**

Unigel Siber Inc., which is a 70% subsidiary of Hikari Capital Limited, was provided with services in the period. The value of services provided and the balance outstanding at the period-end were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Recharged costs receivable | **63,435** | 57,967 | - | - |
| Debtor balance at balance sheet date | **6,697** | 6,350 | - | - |

**d) Corporate Partners Limited**

Common directorship

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Rent and rates payable | **93,164** | 81,360 | **9,000** | 9,000 |
| Creditor balance at balance sheet date | - | - | - | - |

## 22. ANALYSIS OF CHANGES IN NET DEBT

| | At 01/01/24 | Cash flow | At 31/12/24 |
|---|---|---|---|
| | £ | £ | £ |
| Net cash: | | | |
| Cash at bank and in hand | 402,568 | (78,400) | 324,168 |
| Debt: Loan | (530,628) | (463,783) | (994,411) |
| Cash at bank and in hand | (128,060) | (542,183) | (670,243) |

## 23. PENSION SCHEME

The group operates a defined contribution pension scheme in accordance with the auto enrolment legislation. The contributions during the period and the contributions outstanding at the balance sheet date were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **£** | £ | **£** | £ |
| Contributions payable | **24,577** | 19,765 | **2,925** | 1,375 |
| Contributions outstanding at balance sheet date | **1,413** | 1,436 | **218** | 125 |

## 24. POST BALANCE SHEET EVENT

On 14 April 2025 the company declared a dividend on the ordinary share capital of £0.02 per share resulting in a dividend payable of £289,162. The dividend was paid on 6 May 2025.