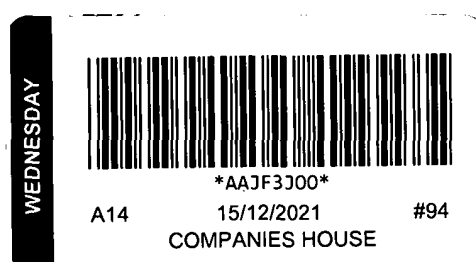


Company Registration No. 02668025 (England and Wales)

BNL (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



Moore (NW) LLP
Chartered Accountants

BNL (UK) LIMITED

COMPANY INFORMATION

Directors	Mr F Rahmatallah Mr N Ball J Wilkinson	(Appointed 25 May 2021)
Secretary	Mr N Ball	
Company number	02668025	
Registered office	Synnovia Limited, Room 1.1, London Heliport Bridges Court Road London SW11 3BE	
Auditor	Moore (NW) LLP 110-114 Duke Street Liverpool L1 5AG	

BNL (UK) LIMITED

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BNL (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

BNL group, which manufactures plastic ball bearings and related assemblies, had a challenging year with the impact of Covid-19 being felt by customers in markets across the world. BNL quickly implemented safe working protocols throughout the business to ensure the safety of its employees and customers and remained open throughout to meet the needs of its customers. Customer demand in the early part of the financial year fell, with revenues down 17.8% on the previous year (16.7% at constant exchange rates). The Company was able to take advantage of government support in order to help manage its cost base through this period with a number of employees being furloughed. All employees have now returned to work. Sales began to recover from the second quarter and saw a sustained recovery throughout the remainder of the year, with sales by the end of the period returning to pre-pandemic levels and future order-books remaining healthy.

Many of the activities which BNL is currently undertaking to develop the business are being overshadowed by the Covid-19 outbreak, however we remain focused on the delivery of good conversion results and strategic initiative progress. Whilst conversion during the year was slower than anticipated, we remain positive that the strength of our pipeline puts us in a strong position for future growth.

Objectives and strategy

BNL's strategy continues to be to focus on major accounts and projects in substantial growing application areas where injection moulded plastic ball bearings have clear value-added advantages. These applications include steering columns, instrument control knobs, dishwashers, CCTV cameras, food conveyor systems and water applications. The new business pipeline at BNL (projects already won but not yet in production or not yet at full production rate) remains strong, even given the impact of Covid-19 and this business is expected to flow through over the next three to four years. The pipeline of projects which we are working to convert is very healthy.

Key performance indicators

The Company's key financial performance indicator is that of operating profit. In the year ended 31 March 2021, the operating loss was (£955,021), margin of (8.2%), compared to an operating profit of £180,555, margin of 1.3% achieved in the prior year.

BNL (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

The principal risks that BNL faces are:

- General economic environment – over the year, the Company has been exposed to a weak global economy which was severely impacted by Covid-19. Management has mitigated this risk by (i) ensuring that the cost base is appropriate for the sale volume levels; and (ii) a continued effort in winning new business.
- Adverse currency movements impacting profitability - BNL invoices customers in a number of different currencies, including US Dollars, Euro and Japanese Yen. Similarly, BNL's costs are paid in a number of different currencies. As a result, the Group is subject to foreign currency exchange risk. The Directors believe, however, that these risks are mitigated by the fact that some of the Group's sales are matched in terms of currencies by costs. The remaining risk of exchange rate fluctuation is mitigated in the near term through currency forwards and foreign currency borrowings.
- Intellectual property protection – BNL's success depends in part on protecting its intellectual property. BNL relies on its technological know-how, established over many years, to maintain its leading position. This intellectual property is closely guarded through trade secrets and contractual provisions. In addition, BNL will initiate claims or litigation against third parties for infringement of its proprietary rights or to establish the validity of its proprietary rights.
- Input price pressure - We have recently seen a number of significant price rises in certain key raw materials and in global freight services. The Company will continue to monitor the impact of these rises, will mitigate these costs wherever possible and will look to pass on any unavoidable increases where appropriate.

Brexit

Other than minor initial shipping delays, there has been no adverse impact to the business to date arising from this and there are not expected to be any significant issues going forward.

BNL (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Covid-19

The Covid-19 outbreak towards the end of FY2020 is a critical global problem and has resulted in a public health and an economic crisis. Results for the year, as discussed previously, have been adversely affected where we sell into end-market such as the automotive sector. Our operations have had to get used to a "distanced and deep cleaned" operating environment, whilst office-based functions are working from home and using videoconferencing where appropriate and effective to do so. All operations have remained open and producing. No customers have been let down and we have also continued to pay staff fully even though some have been off work due to self-isolation, sickness or shielding. Financially, numerous steps were taken to manage our cash flow tightly, including use of government support such as the deferral of liabilities and use of the Coronavirus Job Retention Scheme.

Future developments

As detailed in last year's Annual Report, BNL's future developments will be focused on major accounts and projects in substantial growing application areas where injection moulded plastic ball bearings have clear value-added advantages.

On behalf of the board



Mr N Ball

Director

Date: 8/12/2021

BNL (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Under the Companies Act 2006 s414C(11), the information relating to future developments and risk management are included in the strategic report.

Principal activities

The principal activity of the company continued to be the design, moulding and manufacture of plastic bearings and associated assemblies. Operating in a global marketplace, BNL supplies a variety of blue-chip OEMS worldwide, both direct and via its subsidiary companies.

Results and dividends

The results for the year are set out on page 10.

The company's reported turnover was £11,707,704 compared with £14,240,547 for the prior year, which represents a 17.8% decrease in turnover in the current year. The loss for the financial year after tax was £809,233 (2020: Profit of £10,319).

The company undertook a small restructure during the year which resulted in exceptional costs of £118,121.

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

No preference dividends were paid.

Directors

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

Mr F Rahmatallah

Mr N Ball

J Wilkinson

(Appointed 25 May 2021)

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

BNL (UK) LIMITED

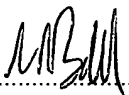
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial risk management objectives and policies

The Company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and income statement of the Company.

On behalf of the board



Mr N Ball
Director

Date: 8/12/2021

BNL (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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;
- 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 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.

BNL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BNL (UK) LIMITED

Opinion

We have audited the financial statements of BNL (UK) Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 March 2021 and of its loss 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.

BNL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BNL (UK) 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.

BNL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BNL (UK) LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

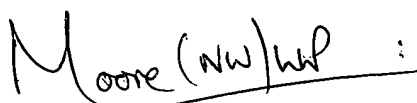
The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.



Mr Keith Miller (Senior Statutory Auditor)
For and on behalf of Moore (NW) LLP

Chartered Accountants
Statutory Auditor

14/12/2021

110-114 Duke Street
Liverpool
L1 5AG

BNL (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	11,707,704	14,240,547
Cost of sales		(9,522,683)	(10,814,307)
Gross profit		2,185,021	3,426,240
Distribution costs		(558,481)	(643,253)
Administrative expenses		(2,812,507)	(2,572,081)
Other operating income		349,067	-
Exceptional item		(118,121)	(30,351)
Operating (loss)/profit	4	(955,021)	180,555
Interest payable and similar expenses	6	(185,442)	(144,469)
(Loss)/profit before taxation		(1,140,463)	36,086
Tax on (loss)/profit	7	331,230	(25,767)
(Loss)/profit for the financial year		(809,233)	10,319

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

BNL (UK) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	8	1,184,563		1,171,605	
Tangible assets	9	2,299,899		2,629,966	
Investments	10	1,554,971		1,554,971	
		<u>5,039,433</u>		<u>5,356,542</u>	
Current assets					
Stocks	13	848,453		815,256	
Debtors	14	6,287,474		5,778,157	
Cash at bank and in hand		758,174		820,931	
		<u>7,894,101</u>		<u>7,414,344</u>	
Creditors: amounts falling due within one year	15	<u>(6,739,782)</u>		<u>(5,209,709)</u>	
Net current assets		<u>1,154,319</u>		<u>2,204,635</u>	
Total assets less current liabilities		<u>6,193,752</u>		<u>7,561,177</u>	
Creditors: amounts falling due after more than one year	16	(2,850,205)		(3,371,497)	
Provisions for liabilities					
Deferred tax liability	18	<u>74,424</u>		<u>111,324</u>	
		<u>(74,424)</u>		<u>(111,324)</u>	
Net assets		<u><u>3,269,123</u></u>		<u><u>4,078,356</u></u>	
Capital and reserves					
Called up share capital	19	3,389,113		3,389,113	
Share premium account		40,888		40,888	
Capital redemption reserve		1,000		1,000	
Profit and loss reserves		<u>(161,878)</u>		<u>647,355</u>	
Total equity		<u><u>3,269,123</u></u>		<u><u>4,078,356</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 8/12/2021 and are signed on its behalf by:



Mr N Ball
Director

Company Registration No. 02668025

BNL (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019	3,389,113	40,888	1,000	637,036	4,068,037
Year ended 31 March 2020: Profit and total comprehensive income for the year	-	-	-	10,319	10,319
Balance at 31 March 2020	3,389,113	40,888	1,000	647,355	4,078,356
Year ended 31 March 2021: Loss and total comprehensive income for the year	-	-	-	(809,233)	(809,233)
Balance at 31 March 2021	3,389,113	40,888	1,000	(161,878)	3,269,123

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

BNL (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Synnovia Limited, Room 1.1, London Heliport, Bridges Court Road, London, SW11 3BE.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

During the year the directors have reassessed the provisions made against the success rate of development projects. The provision has reduced from 47% to 32% which resulted in a credit to profit in the year of £385,000.

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

1.2 Going concern

The company made a loss for the year of £809,233 (2020: profit £10,319) and as at the balance sheet date had net assets of £3,269,123 (2020: net assets of £4,078,356).

The company is an obligor to the group bank facility agreement and is ultimately financed by the group's facility. The group meets its funding requirements through a group wide term loan, overdraft facility, asset based finance facility, export finance facility and invoice discounting facility.

The company has considered the impact of the Covid-19 pandemic and the measures taken which has adversely impacted revenue and profitability during the period. The company has mitigated this impact by using available government support such as the Coronavirus Job Retention Scheme, and by containing costs. The company has traded positively since the year-end at an EBITDA level and has access to sufficient cash reserves.

The directors have produced forecasts which consider the expected impact of the Covid-19 pandemic and take into account the banking facility. As a result, they have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Therefore, the directors continue to adopt the going concern basis of accounting in preparing the financial statements

1.3 Turnover

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

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

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

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

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Research and development and intangible fixed assets

Research expenditure is recognised as an expense in the year in which it is incurred.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate an asset is created that can be identified (such as a new product).

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

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

Straight line over useful life (5 years)

1.7 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.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

Plant and equipment	10% and 20% per annum straight line
Fixtures and fittings	20% per annum straight line
Motor vehicles	25% per annum straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 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.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Stocks

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

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

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

1.11 Cash and cash equivalents

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

1.12 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.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.14 Taxation

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

Current tax

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

Deferred tax

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

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

1.15 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.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.16 Leases

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

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

1.17 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 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.

1.19 Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions under the provisions of FRS 102:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) to prepare a reconciliation of the number of equity shares outstanding at the beginning and at the end of the financial year;
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d) to prepare a statement of cash flows;
- The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated; and
- From disclosing the company key management personnel compensation, as required by paragraph 33.7.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

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

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

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or to the financial statements in general within the next financial year are discussed below:

Stock provisioning

The Company designs, manufactures and sells plastic bags and polythene products and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Impairment of trade debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the ageing profile of receivables and historical experience.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Sale of goods	11,707,704	14,240,547
	<u> </u>	<u> </u>
	2021 £	2020 £
Other significant revenue		
Grants received	349,067	-
	<u> </u>	<u> </u>
	2021 £	2020 £
Turnover analysed by geographical market		
UK	311,151	377,058
Overseas	11,396,553	13,863,489
	<u> </u>	<u> </u>
	11,707,704	14,240,547
	<u> </u>	<u> </u>

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	144,977	(163,443)
Research and development expenditure	689,489	506,881
Depreciation of owned tangible fixed assets	461,661	480,123
Depreciation of tangible fixed assets held under finance leases	135,649	139,453
Auditors remuneration for audit of financial statements	16,500	19,500
Rentals payable under operating leases: Plant and machinery	9,809	9,662
Rentals payable under operating leases: Other assets	198,044	201,320
Amortisation of intangible assets	264,327	230,889
Restructuring costs	118,121	30,351
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Production staff	80	86
Administration and management staff	10	10
Sales and design	4	5
	<u> </u>	<u> </u>
Total	94	101
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	3,160,544	3,378,767
Social security costs	297,263	365,058
Pension costs	376,993	394,104
	<u> </u>	<u> </u>
	3,834,800	4,137,929
	<u> </u>	<u> </u>
Redundancy costs	110,140	30,351
	<u> </u>	<u> </u>

6 Interest payable and similar expenses

	2021	2020
	£	£
Bank loans, export finance & overdraft	88,254	82,085
Intercompany interest payable on loan from parent company	97,188	62,384
	<u> </u>	<u> </u>
	185,442	144,469
	<u> </u>	<u> </u>

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Taxation

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	(192,340)	(60,602)
Group tax relief	(101,990)	-
Total current tax	(294,330)	(60,602)
Deferred tax		
Origination and reversal of timing differences	(66,240)	46,962
Changes in tax rates	-	6,775
Adjustment in respect of prior periods	29,340	32,632
Total deferred tax	(36,900)	86,369
Total tax (credit)/charge	(331,230)	25,767

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

	2021 £	2020 £
(Loss)/profit before taxation	(1,140,463)	36,086
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(216,688)	6,856
Tax effect of expenses that are not deductible in determining taxable profit	35,984	-
Adjustments in respect of prior years	(192,340)	20,937
Research and development tax credit	12,474	15,390
Deferred tax adjustments in respect of prior years	29,340	-
Other	-	(17,416)
Taxation (credit)/charge for the year	(331,230)	25,767

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Intangible fixed assets

	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 April 2020	1,572,453	2,274,806	3,847,259
Additions	-	666,967	666,967
Disposals	(1,572,453)	(603,727)	(2,176,180)
At 31 March 2021	-	2,338,046	2,338,046
Amortisation and impairment			
At 1 April 2020	1,572,453	1,103,201	2,675,654
Amortisation charged for the year	-	264,327	264,327
Disposals	(1,572,453)	(214,045)	(1,786,498)
At 31 March 2021	-	1,153,483	1,153,483
Carrying amount			
At 31 March 2021	-	1,184,563	1,184,563
At 31 March 2020	-	1,171,605	1,171,605

9 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	8,132,138	1,251,513	29,234	9,412,885
Additions	221,145	49,745	-	270,890
Disposals	(136,472)	(2,733)	-	(139,205)
At 31 March 2021	8,216,811	1,298,525	29,234	9,544,570
Depreciation and impairment				
At 1 April 2020	5,842,833	910,852	29,234	6,782,919
Depreciation charged in the year	467,655	129,655	-	597,310
Eliminated in respect of disposals	(134,100)	(1,458)	-	(135,558)
At 31 March 2021	6,176,388	1,039,049	29,234	7,244,671
Carrying amount				
At 31 March 2021	2,040,423	259,476	-	2,299,899
At 31 March 2020	2,289,305	340,661	-	2,629,966

At 31 March 2021 the net carrying amount of leased plant and machinery and motor vehicles was £810,451 (2020: £946,099). See note 17.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	11	1,554,971	1,554,971

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2020 & 31 March 2021	1,600,196
Impairment	
At 1 April 2020 & 31 March 2021	45,225
Carrying amount	
At 31 March 2021	1,554,971
At 31 March 2020	1,554,971

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
BNL (US) Inc	56 Leonard Street, Unit 5, Foxboro, MA 02035, USA	Ordinary	100.00
BNL (Japan) Inc	7th Floor, Yamatane Aoki Building 8-1, Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo, 103-0015, Japan	Ordinary	100.00
BNL (Thailand) Limited	500/58 Moo, 3 Hemaraj Eastern Seaboard Industrial Est. T.Tasit A.Pluakdaeng, Rayong 21140, Thailand	Ordinary	100.00

12 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,688,285	5,485,694
Equity instruments measured at cost less impairment	1,554,971	1,554,971
Carrying amount of financial liabilities		
Measured at amortised cost	9,688,755	8,581,206

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Stocks

	2021 £	2020 £
Raw materials and consumables	177,484	223,735
Work in progress	447,845	348,458
Finished goods and goods for resale	223,124	243,063
	<u>848,453</u>	<u>815,256</u>

14 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,749,714	1,288,529
Corporation tax recoverable	354,932	60,602
Amounts owed by group undertakings	3,211,628	4,197,165
Other debtors	43,242	-
Prepayments and accrued income	244,257	231,861
	<u>5,603,773</u>	<u>5,778,157</u>

	2021 £	2020 £
Amounts falling due after more than one year:		

Amounts owed by group undertakings	<u>683,701</u>	<u>-</u>
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Total debtors	<u>6,287,474</u>	<u>5,778,157</u>
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Amounts owed by group undertakings are interest free and repayable on demand.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	17	174,706	260,641
Trade creditors		647,692	562,469
Amounts owed to group undertakings		3,043,884	1,856,794
Other creditors		2,191,550	1,934,009
Accruals and deferred income		681,950	595,796
		<u>6,739,782</u>	<u>5,209,709</u>

The amounts owed to fellow group companies which are interest free and repayable on demand is £2,642,672 (2020: £1,856,794). The amounts owed to fellow group companies which accrue interest at 2.75% is £0 (2020: £0).

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	17	197,124	371,830
Amounts owed to parent undertaking		2,653,081	2,999,667
		<u>2,850,205</u>	<u>3,371,497</u>

Amounts owed to parent undertaking accrue interest at 2.75% and are repayable on demand.

17 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	174,706	260,641
In two to five years	197,124	371,830
	<u>371,830</u>	<u>632,471</u>

Finance lease liabilities are secured against the corresponding assets that the leases relate to.

18 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	257,700	111,324
Tax losses	(132,371)	-
Short term timing differences	(50,905)	-
	<u>74,424</u>	<u>111,324</u>
Movements in the year:		2021 £
Liability at 1 April 2020		111,324
Credit to profit or loss		(36,900)
Liability at 31 March 2021		<u>74,424</u>

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	1,798,000	1,798,000	1,798,000	1,798,000
'A' Ordinary of 10p each	71,920	71,920	7,192	7,192
	<u>1,869,920</u>	<u>1,869,920</u>	<u>1,805,192</u>	<u>1,805,192</u>
Preference share capital				
Issued and fully paid				
Redeemable preference shares of £1 each	<u>1,583,921</u>	<u>1,583,921</u>	<u>1,583,921</u>	<u>1,583,291</u>

Ordinary shares and 'A' Ordinary shares

The 'A' Ordinary shares have the same voting rights as the Ordinary shares. The 'A' Ordinary shares have the same rights as the Ordinary shares on return of assets on liquidation or capital reduction.

Redeemable Preference shares

The Redeemable Preference shares can be redeemed at par by the Company on giving notice to the holders of the shares in accordance with the Company's articles of association. On a winding up the holders of the Redeemable Preference shares have priority over the other shareholders to receive an amount equal to the subscription price paid per share. The holders have no voting rights. The profits of the Company which are available for distribution shall be applied firstly in paying dividends to the holders of the Redeemable Preference shares unless they agree to pay dividends to the Ordinary shareholders.

20 Operating lease commitments

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:

	2021 £	2020 £
Within one year	113,116	205,795
Between two and five years	<u>26,114</u>	<u>129,620</u>
	<u>139,230</u>	<u>335,415</u>

21 Contingent liability

The ultimate parent company Synnovia Limited has given a charge over its assets in favour of Barclays Bank. The amount of loans outstanding at the year end was £7,890,000 (2020: £16,012,000).

22 Related party transactions

As the Company is a wholly owned subsidiary of Synnovia Limited, it has taken advantage of the exemption in FRS 102 from disclosing transactions with entities which form part of the Synnovia Limited Group. Balances outstanding at the year end with entities included in the Synnovia Limited Group are disclosed in aggregate in the notes to these financial statements.

BNL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Controlling parties

The groups in which the results of the company are consolidated are those headed by Synnovia Limited and BPF1 Limited, the ultimate parent company. Both companies are incorporated in England and Wales. The consolidated accounts of this company are available from Crown Way, Cardiff CR14 3UZ.

24 Pension scheme

The Company operates a defined contributions pension scheme. The pension costs charge for the year ended 31 March 2021 was £376,993 (2020: £394,104), which represents the contributions payable by the Company to the scheme. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

BNL (UK) LIMITED

PROFORMA GROUP ACCOUNTS - INCOME STATEMENT (UNAUDITED) FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Turnover	13,159,621	16,102,090
Cost of sales	(8,106,064)	(9,460,596)
Gross profit	5,053,557	6,641,494
Distribution costs	(934,266)	(991,731)
Administrative expenses	(4,763,928)	(5,154,725)
Other operating income	349,067	-
Operating (loss)/profit	(295,570)	495,038
Interest payable and similar expenses	(197,645)	(139,733)
Exceptional costs	(118,121)	(30,351)
(Loss)/profit before taxation	(611,336)	324,954
Tax on (loss)/profit	304,596	(86,749)
(Loss)/profit for the financial year	(306,740)	238,205

The figures presented above represent unaudited proforma full year trading performance for the BNL Group. This consolidates the operations of BNL (UK) Limited and its subsidiaries.

BNL (UK) LIMITED

PROFORMA GROUP ACCOUNTS - BALANCE SHEET (UNAUDITED)

AS AT 31 MARCH 2021

	2021		2020	
	£	£	£	£
Fixed assets				
Intangible assets		1,581,379		1,554,404
Tangible assets		3,759,950		4,325,085
		<u>5,341,329</u>		<u>5,879,489</u>
Current assets				
Stocks	1,752,860		1,928,604	
Debtors	5,898,684		5,224,909	
Cash at bank and in hand	1,217,767		1,306,705	
	<u>8,869,311</u>		<u>8,460,218</u>	
Creditors: amounts falling due within one year	<u>(4,672,782)</u>		<u>(4,160,971)</u>	
Net current assets		<u>4,196,529</u>		<u>4,299,247</u>
Total assets less current liabilities		<u>9,537,858</u>		<u>10,178,736</u>
Creditors: amounts falling due after more than one year		(3,350,206)		(3,371,497)
Provisions for liabilities				
Deferred tax liability	74,955		111,324	
	<u>(74,955)</u>		<u>(111,324)</u>	
Net assets		<u><u>6,112,697</u></u>		<u><u>6,695,915</u></u>
Capital and reserves				
Called up share capital		3,389,113		3,389,113
Share premium account		40,888		40,888
Capital redemption reserve		1,000		1,000
Profit and loss reserves		2,681,696		3,264,914
Total equity		<u><u>6,112,697</u></u>		<u><u>6,695,915</u></u>