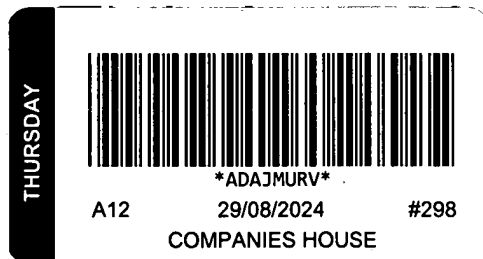


Registered No 2271414

Toray Advanced Composites UK Ltd

Report and Financial Statements

31 March 2024



Toray Advanced Composites UK Ltd

Registered No: 2271414

Director
D J Bernard

Secretary
S Palmer

Auditors
Mabe Allen LLP
50 Osmaston Road
Derby
DE1 2HU

Bankers
HSBC Plc
62/76 Park Street
London
SE1 9DZ

Registered Office
Amber Drive
Langley Mill
Nottinghamshire
NG16 4BE

Strategic report

Registered No: 2271414

The directors present their strategic report and financial statements for the year ended 31 March 2024.

Business review and principal activities

The Company is a wholly owned subsidiary of Toray Advanced Composites Holding B.V. and is ultimately 100% owned by Toray Industries Inc. of Japan and operates as part of its worldwide Advanced Composites Division.

The principal activity of the Company during the year to 31 March 2024 was the development and production of advanced thermoset prepregs in fibre and unidirectional tape. There have not been any significant changes in the Company's principal activities during the year under review.

The year under review saw a continuation of the sales levels increase, overall, being 9% higher than the prior year. We, like most businesses, have faced challenges with supply chain issues, raw material & energy price increases at the start of the year, although we did see an improvement in the second half of the year. The UK Minimum wage and inflationary pressures continue to increase the company cost base.

In March 2024, the company signed a new 10-year building lease, after the installation of Solar Panels by the landlord. In the same month, our holding company, Toray Advanced Composites Holding BV, provided a £3M capital injection to support the ongoing growth of the business.

The directors are not aware, at the date of this report, of any likely changes in the Company's principal activities in the next year.

The Company's key financial and other performance indicators during the year were as follows:

	2024	2023	Change
	£000	£000	%
Turnover	16,553	15,246	+9%
Operating profit	491	328	+73%
Profit/(loss) for the financial year	109	178	+5%
Loans	4,000	6,200	+35%

Section 172 (1) Statement

There were no principal decisions, during the period. The Directors are aware of their responsibilities to act in good faith to promote the long-term success of the business and consider different stakeholder groups on decision making.

The Directors of the UK entity work within the corporate Philosophy of our ultimate controlling parent, Toray Industries, Inc., Japan, (referred to in these accounts as the group). This philosophy calls for contributing to society through the creation of new value with innovative ideas, technologies, and products. This philosophy is reflected in our continuing commitment to research and development activities leading to the creation of new products and technologies that enhance the quality of life for people throughout the world. At the same time, the Company has worked actively to improve the environment (ISO 14001 accreditation) and fulfil our corporate and social responsibilities (CSR), including compliance with business ethics, laws and regulations. As part of our CSR commitment, we have made safety, accident prevention and environmental preservation top management priorities and have ISO45001 accreditation.

Encouraging communication and cooperation with stakeholders including employees, customers, suppliers and other business partners as well as government and administrative agencies.

Employees - As well as improved communication with our employee's, we continue to invest in a program of NVQ's to encourage our teams to develop their skills which will benefit both themselves, as individuals, and the Company. We engage our employees in the safety team, on a rota basis to ensure that we gain commitment to continuing to improve our safety culture.

Customers – Customers expect a quality product that is fit for purpose. Understanding the needs of the customers is central to ensuring the long-term success of the Company. Regular interaction with our sales

Strategic report (continued)

Registered No: 2271414

and technical team ensures that we can work together to develop and or provide a product suitable to their requirements.

Suppliers – The business primarily engages with its suppliers through its supply chain and procurement teams. The business has a code of conduct for suppliers. In addition, the business complies with the Modern Slavery Act in respect of its supplier base. The management review supplier payment behaviours.

Operations and future prospects

The Company continued to focus on servicing our customers, building on our strong safety culture, manufacturing strengths, preventative maintenance and dealing with cost pressures. In addition, we remain focused on the upside potential of developing markets looking for key benefits on using structural composite materials.

Strategy is constantly reviewed by the board in light of the group's performance and changing market conditions to ensure it remains appropriate to achieve the groups objectives.

The Company has received in full the managerial, technical and financial support of its parent company to implement this strategy in the medium term.

Principal risks and uncertainty

During the year under review the risks from Covid were reduced. The majority of our workforce are either working in the plant, or on a hybrid basis. As a result of returning to pre-covid working levels, we saw a return to increased customer visits and less remote working. The company continued to work closely with its suppliers and customers to mitigate any remaining effects from the supply chain which had been experiencing erratic or long lead times.

The conflict in Ukraine and other areas of the world continues to be a source for global concern. We continue to monitor the situation, and any potential future impact on supply chain and energy costs. The installation of Solar Panels, completed March 2024, will help to mitigate some of the risks and we continue to work on energy reduction projects, as well as working with our Toray colleagues on opportunities to limit the impact of this on the business.

Credit risk is managed by agreeing principal payment terms and credit limits in advance. Appropriate credit risk procedures are taken at all times and debts are insured. Where credit risk is considered too high, or credit insurance is not available then cash in advance payments are considered.

The Company has transactions (sales and purchases) in major foreign currencies and is therefore exposed to movements in foreign exchanges, although it tries to mitigate these risks by offsetting purchases in major currencies, or when appropriate, takes out currency contracts to manage the risk.

Having considered the above risks and uncertainties, the directors have a reasonable expectation that the company has adequate resources, given Toray group support, to continue operational existence for the foreseeable future. Thus, they continue to adopt a going concern basis of accounting in preparing the financial statements.

Trading results

During period under review the Company experienced a 9% increase in sales in comparison to the prior 12 months to March 2023 (from £15.2M to £16.6M, resulting in an operating profit of £0.49 million (2023: £0.3 million).

The profit for the year, before tax, was £0.08 million (2023: £0.1 million). The total recognised profit was £0.11 million (2023: £0.18 million).

In addition to financial measures, the directors also monitor the business's operations with the objective of ensuring that health and safety is at the core of all working practises. In measuring the success of this, the directors review the level of reported incidents and monitors the training being undertaken by all relevant employees.

The balance sheet shows that the Company's financial position is £3.03 million. Reserves are now £0.03 million net positive, and a capital injection of £3M was received in March 2024, from Toray Advanced Composites Holding BV (2023: 0.08 million deficit). The company continues to have the support of the ultimate parent company, Toray Industries, Inc. Japan.

Toray Advanced Composites UK Ltd

Strategic report (continued)

Registered No: 2271414

Prospects

The Directors are confident that the business's strategy will continue to deliver the results that meet our shareholders expectations in the years to come.

By order of the board



.....
D J Bernard
Director
31 July 2024

Directors' report

Registered No: 2271414

The directors present their report and financial statements for the year ended 31 March 2024.

Research and development

The Company continues to invest in research & development. The Company's developments are coordinated with those of the Toray Advanced Composites group throughout the world. The directors recognised that R&D investment is essential for success in the medium to long-term future. In 2024 £27,299 was expensed in relation to research and development (2023: £201,757).

Going Concern

The company's business activities, together with factors likely to affect its future development, performance, its financial position, financial risk management objectives, details of financial instruments and its exposure to credit and cash flow risk are set out in the Business Review on pages 2 and 3.

The Company continues to have a range of customers across different geographical and market sectors and continues to work closely with its customers to develop its product range. As a consequence the directors believe that the Company's forecasts and projections, taking into account possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities despite the uncertain economic outlook.

As shown on page 13 the Company achieved a net profit of £109,118 during the year ended 31 March 2024, with the company returning to a net asset position. The company is now in a stronger financial position, thanks to an improving business position and a capital injection of £3M from its parent company. The company's assets now exceed its total liabilities by £3,026,033, as seen on Page 14/15 (2023: (£83,085)). In the previous period the company's liabilities exceeded its total assets, and these conditions indicated that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Despite an improving position, the company sought and obtained a letter of support from its ultimate parent company to meet its liabilities as they fall due for a period through to 31 December 2025. The Directors understand that stress testing of results has been performed and, even though the likelihood that there would be insufficient funds in place is remote, the letter of support is not legally binding.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and to provide any support required. Toray Industries Inc Revenue up to 31Mar24 was 2,464.6 Billion Yen with an operating income of 57.7 billion yen and cash equivalents of 236 billion Yen as at 31Mar24. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors continue to monitor the impacts of Covid, Energy costs, the conflicts around the world and supply chain issues to ensure that the company is prepared for any eventuality to remain competitive.

Environment, health and safety

The Company operates under the principle of "Safety Over Output" and strives to achieve the group policy of Zero Accidents. The Company Health & Safety management system is externally audited and accredited to ISO45001.

The Company operates under the principle of "Protect the Environment" and set out to minimize our environmental impact from design to despatch. The Company Environmental Management system is externally audited and accredited to ISO 14001.

Employees

Details of the number of employees and the related costs can be found in note 6 to the financial statements.

The Company participates in the Toray Group's policies and practices to keep employees informed on matters relevant to them as employees locally and more widely through full participation in the Toray European Company Forum and other Group Seminars. The Company gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' report (continued)

Registered No: 2271414

Dividend

The directors do not recommend the payment of a dividend (2023: £nil).

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

D J Bernard
E Delnoij - resigned 3rd July 2024

There are no directors' interests requiring disclosure under the Companies Act 2006.

Directors' liability

The parent company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the directors' report.


Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Mabe Allen LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board


D J Bernard
Director

31 July 2024

Statement of directors' responsibilities in respect of financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Toray Advanced Composites UK Ltd

Opinion

We have audited the financial statements of Toray Advanced Composites UK Ltd (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

Material uncertainty related to going concern

We draw attention to Note 2.2 - Going concern in the financial statements, which indicates that the company achieved a net profit of £109,118 during the year end 31 March 2024 (2023 : £177,824) and has now returned, as a result of a capital injection of £3 million from the parent company, to a net asset position of £3,026,033. However, due to losses made in previous periods, the Balance Sheet at 31 March 2023 showed that the company's liabilities exceeded its total assets by £83,085 at the end of that comparative period. As stated in Note 2.2 - Going Concern, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

Independent auditors' report

to the members of Toray Advanced Composites UK Ltd (continued)

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, 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 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.

Auditors' 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 a Report of the Auditors 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,

Independent auditors' report

to the members of Toray Advanced Composites UK Ltd (continued)

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including targets for income and net profit;
- Results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, including any related to it's operations, including health and safety, plastic packaging tax, environmental considerations, the General Data Protection Regulations or Bribery Act 2010.
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls to mitigate risks of fraud or non-compliance with laws and regulations;
 - The matters discussed among the audit engagement team and including relevant internal tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the ability of management to manipulate revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and the Financial Reporting Standard 101.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or

Independent auditors' report

to the members of Toray Advanced Composites UK Ltd (continued)

to avoid a material penalty. These include The General Data Protection Regulations, the Bribery Act 2010 and Health and Safety policies set in accordance with British Standards Institution (BSI) guidelines.

Audit Response to Risks Identified

Our procedures to respond to risks identified above include the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates;
- Enquiring of management and directors concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the fraud risk in revenue recognition we have tested a sample of revenue recorded in the year through agreement to the relevant sales terms and conditions and bank statements. Additionally, at an analytical review level, we developed an expectation of the revenue with reference to our experience of the client and discussions on the recognition and volatility of revenue in the year, and;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rational of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Independent auditors' report

to the members of Toray Advanced Composites UK Ltd (continued)

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 a Report of the Auditors 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.

N. Higgins

Neil Higgins FCCA (Senior Statutory Auditor)

for and on behalf of Mabe Allen LLP

Chartered Accountants

Statutory Auditors

50 Osmaston Road

Derby

DE1 2HU

Date: 31/7/24

Income Statement

for the year ending 31 March 2024

	<i>Notes</i>	<i>2024</i> £	<i>2023</i> £
Turnover	3	16,552,943	15,246,311
Other Operating Income	4	9,446	27,485
Raw materials and consumables		(9,431,980)	(8,683,819)
Staff Costs	6	(3,583,696)	(3,286,714)
Depreciation		(1,008,280)	(1,000,378)
Amortisation		(28,222)	(24,337)
Other Operating expenses		<u>(2,019,148)</u>	<u>(1,950,818)</u>
Operating profit	4	491,063	327,730
Interest payable & Similar expenses	8	(406,900)	(227,804)
Profit on ordinary activities before taxation		<u>84,163</u>	<u>99,926</u>
Tax on profit on ordinary activities	9	24,955	77,898
Profit for the financial year	21	<u>109,118</u>	<u>177,824</u>

The results of the Company during both 2024 and 2023 arose from continuing operations.

Statement of comprehensive income

for the year ending 31 March 2024

	<i>Notes</i>	<i>2024</i> £	<i>2023</i> £
<i>Profit for the financial year</i>	21	109,118	177,824

Statement of changes in equity

for the year ending 31 March 2024

	<i>Share Capital</i> £	<i>Share Premium</i> £	<i>Retained Earnings</i> £	<i>Total Equity</i> £
<i>At 1 April 2022</i>	100	-	(261,009)	(260,909)
Profit for the financial year	-	-	177,824	177,824
Other comprehensive income	-	-	-	-
<i>At 31 March 2023</i>	100	-	(83,185)	(83,085)
Profit for the financial year	-	-	109,118	109,118
Issue of share capital	2	2,999,998	-	3,000,000
<i>At 31 March 2024</i>	102	2,999,998	25,933	3,026,033

Statement of financial position

as at 31 March 2024

		2024	2023
	Notes	£	£
Fixed Assets			
Intangible assets	10	56,377	21,674
Tangible owned assets	10	2,557,682	3,145,992
Right of use assets	10	2,770,227	869,622
		<u>5,384,286</u>	<u>4,037,288</u>
Current Assets			
Stocks	11	3,197,703	2,712,619
Debtors	12	4,156,342	2,550,244
Deferred tax asset		-	-
Cash at bank		628,913	611,658
		<u>7,982,959</u>	<u>5,874,521</u>
Creditors: amounts falling due within one year	13	(3,860,404)	(3,261,977)
Net current (liabilities) / assets		4,122,555	2,612,544
Creditors: amounts falling due after more than one year	14	(6,480,807)	(6,732,917)
Net (liabilities)/assets		<u>3,026,033</u>	<u>(83,085)</u>
Capital and reserves			
Called up share capital	20	102	100
Share Premium	20	2,999,998	-
Profit and loss account	21	25,933	(83,185)
Shareholders' funds	21	<u>3,026,033</u>	<u>(83,085)</u>

The financial statements were approved for issue by the board of directors on



.....
D J Bernard
Director
31 July 2024

Notes to the financial statements

as at 31 March 2024

1. Authorisation of financial statements and statement of compliance with FRS 101

Toray Advanced Composites UK Ltd (the "company") is a private company limited by shares and incorporated and domiciled in England and Wales. The registered number is 2271414 and the registered address is Amber Drive, Langley Mill, Nottinghamshire, NG16 4BE.

The financial statements of Toray Advanced Composites UK Ltd ("the Company") for the year ended 31 March 2024 were authorised for issue by the board of directors on 31 July 2024 and the balance sheet was signed on the board's behalf by D J Bernard.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling to the nearest £.

The principal accounting policies adopted by the Company are set out in note 2.

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). FRS101 sets out a reduced disclosure framework for a 'qualifying entity' as defined by the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statement of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

The Company is a qualifying entity for the purposes of FRS101. Note 23 gives details of the company's ultimate parent undertaking and from where its consolidated financial statements have been prepared in accordance with IFRS may be obtained.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in this note.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101: IFRS 7 'Financial Instruments Disclosures'; IAS 1 'presentation of financial statements'; IAS 7 'Statement of cash flows'; Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not adopted a new IFRS that has been issued but not yet effective); Paragraph 17 and 18 A of IAS 24, 'Related party disclosures' (key management compensation); IAS 24 'Related party disclosures' to disclosure related party transactions entered into between two or more members of a group; Paragraphs 91-99 of IFRS 13 Fair Value Measurement; and the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Notes to the financial statements (continued)

for the year ended 31 March 2024

2.2 Significant accounting policies

Going concern

The company's business activities, together with factors likely to affect its future development, performance, its financial position, financial risk management objectives, details of financial instruments and its exposure to credit and cash flow risk are set out in the Business Review on pages 2 and 3.

The Company continues to have a range of customers across different geographical and market sectors and continues to work closely with its customers to develop its product range. As a consequence, the directors believe that the Company's forecasts and projections, taking into account possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities despite the uncertain economic outlook.

As shown on page 13 the Company achieved a net profit of £109,118 during the year ended 31 March 2024, with the company returning to a net asset position. The company is now in a stronger financial position, thanks to an improving business position and a capital injection of £3M from its parent company. The company's assets now exceed its total liabilities by £3,026,033, as seen on Page 14/15 (2023: (£83,085)). In the previous period the company's liabilities exceeded its total assets, and these conditions indicated that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Despite an improving position, the company sought and obtained a letter of support from its ultimate parent company to meet its liabilities as they fall due for a period through to 31 December 2025. The Directors understand that stress testing of results has been performed and, even though the likelihood that there would be insufficient funds in place is remote, the letter of support is not legally binding.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and to provide any support required. Toray Industries Inc Revenue up to 31Mar24 was 2,464.6 Billion Yen with an operating income of 57.7 billion yen and cash equivalents of 236 billion Yen as at 31Mar24. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors continue to monitor the impacts of Covid, Energy costs, the conflicts around the world and supply chain issues to ensure that the company is prepared for any eventuality to remain competitive.

Consolidation

The company is a wholly owned subsidiary of Toray Advanced Composites Holding BV and of its ultimate parent, Toray Industries Inc. It is included in the consolidated financial statements of Toray Industries Inc, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Nihonbashi Mitsui Tower, 1-1, Nihonbashi-Muromachi 2-chrome, Chuo-ku, Tokyo 103-8666.

These financial statements are separate financial statements.

Research and development

Research and development expenditure is written off in the year in which it is incurred but claims are made for eligible expenditure and treated as other operating expenses.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales -related taxes.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Sale of goods

Revenue from the sale of goods is recognised when performance obligations are satisfied as set out below:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 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 possible 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.

Amortisation of intangible assets

Amortisation is provided on all intangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Licences - 3 - 5 years

Depreciation of tangible assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold property - 10 - 50 years
Plant and machinery - 2 - 10 years
Fixtures and fittings - 3 - 15 years
Motor vehicles - 4 years

Impairment of tangible assets

Tangible assets are reviewed for impairment as and when indications of such impairment exist. When required impairment reviews based on discounted forecast cash flows or estimated realisable values of assets are performed with any resulting shortfall charged in arriving at operating loss.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables, and goods for resale - purchase cost on a first-in, first-out basis
Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Current Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the financial statements (continued)

for the year ended 31 March 2024

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of good will or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible differences, carried forward tax credits or losses

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Functional currency

The functional currency of the company is pounds sterling on the basis that the trading largely consists of sterling transactions and the main site of the business is situated in the United Kingdom.

Foreign currency translation

The company's financial statements are presented in sterling, which is the company's functional currency.

Transactions in foreign currencies are initially recorded at the prevailing rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

Derivatives

The Company uses derivative financial instruments such as foreign currency contracts to hedge its risks associated with foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The Company designates derivatives of foreign currency risk of firm commitments as cash flow hedges.

Where hedge accounting is desired, the hedging relationship is formally designated and documented at its inception. This documentation identifies the risk management objectives, strategy for undertaking the hedge, the hedged instrument, the hedged item or transaction, the nature of the risk being hedged, and how

Notes to the financial statements (continued)

for the year ended 31 March 2024

effectiveness will be measured throughout its duration. At inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Cash flow hedges

The Company classifies hedges as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or highly probable forecast transaction.

For cash flow hedges, the effective portion of the gain or loss is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are transferred to the income statement (included in the "other gains and losses" line) when the hedged transaction affects profit or loss, for example when a forecast sale or purchase occurs.

Leases

Applying IFRS16 has resulted in right-of-use assets totalling £2,770,227 (2023: £869,622), which is comprised of buildings, forklift trucks, office / plant equipment and motor vehicles. The main increase relates to a new 10-year Building lease signed in March 2024. Right-of-use assets are depreciated to nil over the lease term. At 31 March 24, current lease liabilities were £302,994 (2023: £325,713) and non-current being £2,476,456 (2023: £522,326). Calculation of the lease liabilities during year to 31/3/24 is based on the prevailing borrowing rate at the time of the lease (between 3% and 5.39%), resulting in £60,139 (2023:£31,287) interest charge contained in the income statement

The Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability.
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Information about critical accounting judgements in the application of lease accounting is disclosed in note 2.3.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Pension costs

During the period under review the Company operated a defined contribution pension scheme for its employees. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Assets held for resale

Tangible assets are classified as held for sale only if available for immediate sale in their present condition, a sale is highly probable or expected to be completed within one year from the date of classification. Such assets are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

Government Grants

Government grants are recognised at fair value as other income in the income statement when there is reasonable assurance that the conditions associated with the grant have been complied with and the grants will be received. Grants compensating for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred.

Government grants relating to property, plant and equipment are treated as deferred income and released to the profit and loss over the expected useful lives of the assets concerned.

Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Loans and receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement in other operating expenses.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are recognised in two stages:

- for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL);
- for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against associated provision.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

2.3 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:-

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment and the accounting policy note for the useful economic lives for each class of assets.

As indicated in note 2.2 the estimated useful lives of items of property, plant and equipment range between 2 – 50 years. However, the actual useful lives might be shorter or longer depending on technological innovations and other factors.

Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of buildings and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in vehicle leases have not been included in the lease liability because the company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Stock provision

The determination of the cost of stock is a significant area of estimation. The key areas of estimation are:

- The determination of the net realisable value of stock.
- The level of provision for slow and obsolete stock:

The level of provision applied against stock is based upon a number of factors such as the age, quality or condition of individual lines.

Stock held which is rejected, damaged or of "seconds quality" has a 100% provision applied. Similarly, stock which is older than two years also is subject to a 100% provision, stock between one and two years old has 50% provision applied, unless there is certainty that the inventory will be utilised, and stock under one year old has a 0% provision.

Notes to the financial statements (continued)

for the year ended 31 March 2024

3. Turnover

Turnover represents the amounts derived from the provision of goods and services during the year which fall within the Company's ordinary activities and is stated net of value added tax.

An analysis of turnover by geographical market is given below.

	2024	2023
	£	£
United Kingdom	7,214,258	5,502,697
Rest of Europe	6,915,379	8,068,715
Rest of World	2,423,306	1,674,899
	<u>16,552,943</u>	<u>15,246,311</u>

4. Operating profit

	2024	2023
	£	£
<i>This is stated after receiving and charging as follows::</i>		
Operating Income:-		
Release of government grants	6,240	6,240
Research and Development grant	3,206	21,245
	<u>9,446</u>	<u>27,485</u>
Depreciation of owned fixed assets	721,149	675,390
Depreciation of lease assets (IFRS16)	315,353	324,988
Operating lease rentals:		
- plant and machinery	1,364	5,534
Research & development costs	<u>27,299</u>	<u>201,757</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Auditor's remuneration

	2024	2023
	£	£
Audit of financial statements	31,000	29,000
	<u>31,000</u>	<u>29,000</u>

6. Staff costs

	2024	2023
	£	£
Wages and salaries	3,157,111	2,877,026
Social security costs	297,974	290,380
Defined contribution pension costs	128,611	119,308
	<u>3,583,696</u>	<u>3,286,714</u>

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

	2024	2023
Production and distribution	61	59
Administration	8	9
Selling	12	13
	<u>81</u>	<u>81</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

7. Directors' remuneration

	2024	2023
	£	£
Remuneration	<u>302,513</u>	<u>252,142</u>

	2024	2023
	£	£
In respect of the highest paid director:		
Aggregate Remuneration	<u>187,078</u>	<u>162,979</u>

Included in the above remuneration figure is an amount of £6,600 (2023: £6,400) which relates to cash amounts for cars, and amount £59,994 (2023: £40,000) which relates to contributions paid on behalf of 1 Director to a defined contribution pension scheme.

	£	£
The number of directors to whom retirement benefits are accruing was as follows:		
Money Purchase Schemes	<u>1</u>	<u>1</u>

8. Interest Payable & Similar charges

	2024	2023
	£	£
Foreign Currency Exchange	4,261	(14,923)
Group Inter company borrowings	342,500	211,441
IFRS16 lease interest charges	60,139	31,287
Total Interest payable	<u>406,900</u>	<u>227,804</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

9. Tax

	2024	2023
	£	£
Current tax:		
Group relief in respect of prior periods	24,955	77,898
Total current tax	24,955	77,898
	£	£
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax per income statement	24,955	77,898

Factors affecting total tax charge for the current period

The charge for the year can be reconciled to the profit per the income statement as follows:

	2024	2023
	£	£
Profit/(Loss) for the period – continuing operations	84,163	99,926
Tax on profit/(loss) at standard UK rate of 25% (2023: 19%)	21,041	18,986
Effects of:		
Expenses not deductible for tax purposes	8,772	9,492
Depreciation in excess of capital allowances	94,016	-
Capital allowances in excess of depreciation	-	(53,431)
Group relief in respect of prior periods	24,955	77,898
Tax losses utilised from prior period	(123,829)	-
Tax losses not utilised	-	24,954
Total tax credit included in income statement	24,955	77,898

Notes to the financial statements (continued)

for the year ended 31 March 2024

The company carried forward tax losses at 31 March 2024 of £3,328,190 (2023: £3,823,505). A deferred tax asset has not been established on the grounds that there is currently insufficient evidence that the asset will be recoverable against taxable profits in the short term.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. If the corporation tax rate increase, from 19% to 25%, is applied to the carried forward losses and accelerated capital allowances as at 31st March 2024, the unprovided deferred tax asset would decrease from £481,705 to £450,937.

10. Fixed Assets

Intangible fixed assets

	<i>Licences</i>
Cost or valuation:	£
At 1 April 2023	283,576
Additions	62,925
Disposals	<u>(22,354)</u>
At 31 March 2024	<u>324,147</u>
Amortisation:	
At 1 April 2023	(261,902)
Provided during the year	(28,222)
Disposal	<u>22,354</u>
At 31 March 2024	<u>(267,771)</u>
Net book value:	
At March 2024	<u>56,377</u>
At March 2023	<u>21,674</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

Tangible fixed assets

	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost or valuation:			
At 1 April 2023	7,184,465	1,396,461	8,580,926
Additions	84,209	20,408	104,617
Disposals	(4,684)	(6,021)	(10,705)
At 31 March 2024	<u>7,263,990</u>	<u>1,410,848</u>	<u>8,674,838</u>
Depreciation:			
At 1 April 2023	(4,448,258)	(986,675)	(5,434,933)
Provided during the year	(565,862)	(127,064)	(692,926)
Disposals	4,684	6,021	10,705
At 31 March 2024	<u>(5,009,437)</u>	<u>(1,107,718)</u>	<u>(6,117,155)</u>
Net book value:			
At March 2024	<u>2,254,553</u>	<u>303,130</u>	<u>2,557,683</u>
At March 2023	<u>2,736,207</u>	<u>409,786</u>	<u>3,145,993</u>

Although the company has a net asset position, an impairment review has been carried out as at 31 March 2024. The value in use has been derived from discounted cash flow projections using a pre-tax discount rate of 7.749%. This is based on the expected results for year to 31 Mar 2025, management projections for a further 4 years followed by an assumption that the results will remain consistent. Whilst initial forecasts indicate growth in revenue and profitability the results for 2025 onwards have been sensitised to reflect the risks within these forecasts. The business continues to have opportunities to improve profitability and management are focussed on converting the sales pipeline however the value and timing of this remains uncertain.

Notes to the financial statements (continued)

for the year ended 31 March 2024

Right of use assets

	<i>Buildings</i>	<i>Equipment</i>	<i>Vehicles</i>	<i>Total</i>
Cost or valuation:	£	£	£	£
At 1 April 2023	1,859,639	144,436	72,113	2,076,188
Additions	-	2,111,065	104,893	2,215,958
Lease Modification	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	<u>1,859,639</u>	<u>2,255,501</u>	<u>177,006</u>	<u>4,292,146</u>
Depreciation:				
At 1 April 2023	(1,056,780)	(114,308)	(35,478)	(1,206,566)
Provided during the year	(264,195)	(30,543)	(20,616)	(315,353)
Lease Modification	-	-	-	-
Disposals	-	-	-	-
At 31 March 2024	<u>(1,320,975)</u>	<u>(144,851)</u>	<u>(56,093)</u>	<u>(1,521,919)</u>
Net book value:				
At March 2024	<u>538,664</u>	<u>2,110,650</u>	<u>120,913</u>	<u>2,770,227</u>
At March 2023	<u>802,859</u>	<u>30,127</u>	<u>36,636</u>	<u>869,622</u>

The Income statement shows the following amounts relating to leased assets: -

	2024	2023
	£	£
Interest expense Right of Use assets (included in Interest payable and similar expenses)	60,139	31,287
Expense relating to low value assets and short-term leases (included in Operating Expenses)	1,075	5,534

The total cash outflow for leases was £344,464 (2023: £360,348)

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Stocks

	2024	2023
	£	£
Raw materials	2,448,732	2,499,437
Finished goods	748,972	213,182
	<u>3,197,703</u>	<u>2,712,619</u>

12. Debtors

	2024	2023
	£	£
Trade debtors	3,747,046	2,333,675
Amounts due from group undertaking	179,934	812
Prepayments and accrued income	229,362	215,757
Other Taxation	-	-
	<u>4,156,342</u>	<u>2,550,244</u>

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Loans from group undertakings (see note 15)	-	-
Lease liability (IFRS16) (see note 15)	302,994	325,713
Trade creditors	1,936,025	1,007,499
Amount owed to group undertakings	711,292	844,293
Other taxation and social security	95,156	186,998
Other creditors	808,697	891,234
Government grants	6,240	6,240
	<u>3,860,404</u>	<u>3,261,977</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

The revolving IC loan agreement is with Toray Advanced Composites Netherlands BV to 30 Jun 2025. Interest is based on SONIA rate + 0.375%. Toray Industries Inc, the ultimate parent company, has provided a letter of ongoing financial support.

14. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Loans from group undertakings (see note 15)	4,000,000	6,200,000
Lease liability (IFRS16) (see note 15)	2,476,456	522,326
Accruals and deferred income	4,351	10,591
	<u>6,480,807</u>	<u>6,732,917</u>

Deferred income relates to a government grant and is to be recognised in income over the life of the related asset.

As at 31st March 2024, the Intercompany loan was extended to 30 Jun 2025. Interest rate on the revised loan is now based on SONIA rate + 0.375%. Toray Industries Inc has provided a letter of ongoing financial support.

15. Financial Liabilities - Borrowings

	2024	2023
	£	£
<i>Current:</i>		
Loans from group undertakings	-	-
Lease Liability (IFRS16) (see note 16)	302,994	325,713
	<u>302,994</u>	<u>325,713</u>
<i>Non-Current:</i>		
Loans from group undertakings	4,000,000	6,200,000
Lease Liability (IFRS16) (see note 16)	2,476,456	522,326
	<u>6,476,456</u>	<u>6,722,326</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

Terms and debt repayment schedule:

	1 year or less	2-5 years	5-10 years	Totals
	£	£	£	£
Loan from group undertakings	-	4,000,000	-	4,000,000
Lease Liability (IFRS16)	302,994	960,599	1,515,857	2,779,450
	<u>302,994</u>	<u>4,960,599</u>	<u>1,515,857</u>	<u>6,779,450</u>

16. Leasing

	2024	2023
	£	£
<i>Net obligations repayable:</i>		
Within one year	302,994	325,713
Between one and five years	<u>2,476,456</u>	<u>522,326</u>
	<u>2,779,450</u>	<u>848,039</u>

17. Commitments under operating leases

At 31 March 2024 the Company had future minimum lease payments under non-cancellable operating leases as set out below:

	2024	2023
	£	£
Not later than one year	1,360	1,475
After one year but not more than five years	3,210	4,396
After five years	-	-
	<u>4,570</u>	<u>5,871</u>

18. Contingent liability

The company has no contingent liabilities.

19. Related party transactions

The Company has taken advantage of the exemption in paragraph 8(k) of FRS101 from disclosing transactions with related parties that are part of the Toray Industries Inc. group or investees of the group as it is 100% owned by Toray Industries Inc.

Notes to the financial statements (continued)

for the year ended 31 March 2024

20. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal	2024	2023
		Value:	£	£
102	Ordinary	£1	<u>102</u>	<u>100</u>

On 15 March 2024 2 Ordinary shares of £1 each were allotted as fully paid at a premium of £1,499,999 per share.

All shares rank pari passu in all respects.

No shares are redeemable.

21. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Share Premium	Profit and loss account	Total shareholders' funds
	£	£	£	£
At 1 April 2022	100	-	(261,009)	(260,909)
Profit for the period	-	-	177,824	177,824
As at 31 March 2023	100	-	(83,185)	(83,085)
Profit for the period	-	-	109,118	109,118
Share issue	2	2,999,998	-	3,000,000
At 31 March 2024	102	2,999,998	25,933	3,026,033

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £73,108 (2023: £nil).

23. Ultimate parent company

At 31 March 2024 the immediate parent undertaking is Toray Advanced Composites Holding BV (merged in Dec22 with our former parent company Toray TCAC Holding B.V.)

The largest company in which the results of the company are consolidated is that headed by Toray industries, Inc., Nihonbashi Mitsui Tower, 1-1, Nihonbashi-Muromachi, 2-chome, Chuo-ku, Tokyo 103-8666, incorporated in Japan. The consolidated financial statements of the group are available to the public and may be obtained from Toray.com.