

**GUIDED ULTRASONICS LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

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FOR THE YEAR ENDED 31 JULY 2023**

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**GUIDED ULTRASONICS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 JULY 2023**

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<b>DIRECTORS:</b>	Professor P Cawley Dr D Alleyne Professor M Lowe Dr B Pavlakovic T Pialucha P J Collins N R Morris
<b>SECRETARY:</b>	Dr B Pavlakovic
<b>REGISTERED OFFICE:</b>	Wavemaker House, Unit 3 Brentwaters Business Park, The Ham Brentford London TW8 8HQ
<b>REGISTERED NUMBER:</b>	03809900 (England and Wales)
<b>AUDITORS:</b>	APC Accountants Limited Chartered Accountants and Statutory Auditors 7 St John Street Mansfield Nottinghamshire NG18 1QH
<b>BANKERS:</b>	HSBC 1 Lemming Street Mansfield Nottinghamshire NG18 1LU

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2023**

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The directors present their strategic report of the company and the group for the year ended 31 July 2023.

**REVIEW OF BUSINESS**

Guided Ultrasonics Limited and its subsidiaries in the USA and Malaysia, can report improved performance over the past financial year, to 31 July 2023, with turnover increasing by 13% compared to the previous period.

The group considers its key performance indicators to be Turnover and Operating Profit:

Turnover: 2023: £9.5m 2022: £8.4m

Operating Profit: 2023: £1.5m 2022: £1.35m

Both measures have improved during the year end 31 July 2023, satisfactorily.

The Group continues to invest and develop its technologies and spend was sustained in the year at £1.26m compared to £1.36m (2022).

The Group believes this level of investment continues to be far beyond most in the industry and demonstrates the commitment to innovation and advancement in the sector as a recognised market leader.

The Group takes pride in its development of its people and a key measure of this is staff retention. The board are pleased to confirm its staff retention percentage remained comparable for the year ended 31 July 2023 at 81% (48 out of 59 still employed) compared to 87% (45 out of 52 still employed) for the year ended 31 July 2022. The Group seeks to understand the reason for any leavers and respond accordingly.

The Group's cash position fell slightly at year end, after considering its continued R&D expenditure and financial support to its subsidiaries. The Group has continued to support expansion into the

Asia Pacific and Americas markets. Although both subsidiaries have made accumulated losses, this is to be expected with the investment in local resources, longer term strategic aims and performance is continually monitored by the Board.

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2023**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The Group continues to invest in new technologies and bringing new products to market along with investments in sales resources, with two experienced hires in the prior year in the USA in post for the full year to 31 July 2023. This has improved GUL's opportunities in both new customers and market segments.

A key risk to the Group is that market share lost by lack of innovation. As noted above the Group continues to invest in Research & Development activity and the commitment was further shown by the Board by maintaining levels for the year ended 31 July 2023, similar to the previous year. It should be noted that the Group have invested in excess of £1.25m in Research & Development activity in each of the past three years, to ensure GUL's place as a market leader developing 'Technology you can trust'.

Inflationary pressures have been challenging over recent years and the board is frequently reviewing product costings to ensure sale prices are appropriate, along with the changes in sales mix impacting gross margins. Where possible to mitigate inflationary pressures, the Group maintains excellent supply chain management with strong relationships built on years of trading. Paying suppliers on time is important to keeping these relationships and assists the Group in forward orders, trying to achieve costs savings through volumes and buying 'well ahead' against forecast, mitigating both the risk of price increases and disruptions to production scheduling through non-availability of componentry. The Group is pleased to report the supply chain disruptions experienced in 2021 and 2022 have significantly reduced. The Group maintains excellent long-standing relationships with customers, being a highly respected figure in the NDT community and bringing new product developments to enhance the outputs and insights gained, for the benefit of its users.

The company has a long-standing experienced team with a history of trading globally. The Group works with trusted partners around the world to ensure it is compliant in financial and non-financial matters in local jurisdictions. Senior management are present at the Group's hubs in the UK, USA and Malaysia and a collaborative Group-wide ERP system ensures consistency of both operational and financial, planning and reporting. The group was aware of the ongoing sanctions being in place throughout the world and the market risk this placed on the group. The Directors continued to instil training and promote awareness from the Senior Management team as well as staff delivering services to customers. The group followed government guidance and acted to be compliant with UK, US and Malaysian legislation.

**Risks**

The Group acknowledges two further principal risks:

**Liquidity Risk**

The Directors ensure the Group maintains cash reserves sufficient to meet its trading obligations and continue its investment in new technologies. The Directors are comfortable that available funds on 31 July 2023 are adequate to meet its commitments.

**Foreign Exchange Risk**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2023**

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The Group engages clients overseas with customer debts received and supplier payments made in several currencies, including US Dollars, which helps to mitigate a degree of foreign exchange risk. However, the Directors maintain most of the Group's cash reserves in GBP which it believes to be prudent given most of the Group's operating costs are in GBP.

**FUTURE DEVELOPMENTS**

The Group has ambitious financial targets for the year ended 31 July 2024 supported by its strong sales presence from the UK, USA and Asia Pacific offices. The Board is pleased to report that the new products to market mentioned in this report last year have been well received by the marketplace and the Board are excited at the ongoing commercial opportunities this brings in new market sectors and regions.

**ON BEHALF OF THE BOARD:**

Dr D Alleyne - Director

29 April 2024

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2023**

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The directors present their report with the financial statements of the company and the group for the year ended 31 July 2023.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 July 2023 was £1,450,000

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

Professor P Cawley  
Dr D Alleyne  
Professor M Lowe  
Dr B Pavlakovic  
T Pialucha  
P J Collins  
N R Morris

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2023**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, APC Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Dr D Alleyne - Director

29 April 2024



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUIDED ULTRASONICS LIMITED

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### **Opinion**

We have audited the financial statements of Guided Ultrasonics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 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 group's and of the parent company affairs as at 31 July 2023 and of the group's 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 group 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUIDED ULTRASONICS LIMITED

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### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and 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 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUIDED ULTRASONICS LIMITED

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### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUIDED ULTRASONICS LIMITED

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### **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, 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 irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis of our opinion.

### **Identifying and assessing potential risks related to irregularities**

As detailed above we carried out our audit in line with the appropriate guidance. In regards to our procedures during the initial planning, remote working and final review stages we assessed our audit plan against the changing environments and updated wherever appropriate.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered and carried out a background information assessment on the company and looked at all of the appropriate laws and regulations that the company must abide with. These included Coronavirus regulations, but also GDPR and Health & Safety in regards of production as well as in the general office

The group has a risk register for monitoring its risks and mitigations in place. The company also monitors all of its internal policies and procedures and carries out annual updates for those policies, or such as Covid19, regular reviews when Government guidance has changed. This is then communicated to staff on all levels to ensure updates in policies and procedures are known throughout the workforce.

The significant laws and regulations in regards to the business include Companies Act, Employment Law, Pensions legislation, Tax legislation, Health & Safety, Covid19 Regulations and GDPR are regularly reviewed by the companies management team and updated to ensure compliance.

We reviewed the group's risk assessments for its business in the significant laws and regulations, carried out reviews on board minutes including discussions with company officials and review of any legal cases and costs.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GUIDED ULTRASONICS LIMITED

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### Audit response to risks identified

As a result of performing the above, we identified the group's revenue recognition in respect of the timing of when goods are sold and transferred to customer as well as services are provided such as training courses, as a key audit matter related to the potential risk of fraud. Our specific procedures in this regards are as follows:-

- Review of accrued and deferred income.
- Cut-off testing around the year end.
- Review of gross margins.
- Discussions with management.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations, which have a direct effect on the financial statements;
- making enquiries of management, including legal experts concerning actual or potential litigation and claims;
- On our review of journal entries nothing unusual or unexpected had been identified from our sample testing of journal adjustments carried out by the company to its accounting system.
- We used limited analytical review procedures during our audit work and placed more reliance up on our transactional and detailed audit testing. Our analytical review for highlighting trends were then reviewed and assessed against our detailed testing work.

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 or misrepresentation.

Our audit team had regular updates and meetings within the team including all members of the team, including the RI to ensure that our audit work was being carried out appropriately and to ensure that our assessments have constantly been updated during our audit, as part of these meetings all team members remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GUIDED ULTRASONICS LIMITED**

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**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.

Leighton Sharp FCCA MAAT (Senior Statutory Auditor)  
for and on behalf of APC Accountants Limited  
Chartered Accountants  
and Statutory Auditors  
7 St John Street  
Mansfield  
Nottinghamshire  
NG18 1QH

30 April 2024

**CONSOLIDATED  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>		9,535,993	8,403,379
Cost of sales		<u>(3,316,894)</u>	<u>(2,710,702)</u>
<b>GROSS PROFIT</b>		6,219,099	5,692,677
Administrative expenses		<u>(4,771,025)</u>	<u>(4,341,940)</u>
<b>OPERATING PROFIT</b>	5	1,448,074	1,350,737
Interest receivable and similar income		52,962	1,603
Interest payable and similar expenses	6	<u>(4,567)</u>	<u>(6,242)</u>
<b>PROFIT BEFORE TAXATION</b>		1,496,469	1,346,098
Tax on profit	7	<u>187,983</u>	<u>273,060</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,684,452</u>	<u>1,619,158</u>
Profit attributable to:			
Owners of the parent		<u>1,684,452</u>	<u>1,619,158</u>

The notes form part of these financial statements

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>		1,684,452	1,619,158
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,684,452</u>	<u>1,619,158</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,684,452</u>	<u>1,619,158</u>

The notes form part of these financial statements



**CONSOLIDATED BALANCE SHEET**  
**31 JULY 2023**

		<b>2023</b>		<b>2022</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Intangible assets	10		3,436,742		3,180,781
Tangible assets	11		1,839,646		1,880,660
Investments	12		-		-
			<u>5,276,388</u>		<u>5,061,441</u>
<b>CURRENT ASSETS</b>					
Stocks	13	2,177,463		1,400,263	
Debtors	14	2,445,414		2,233,996	
Cash at bank and in hand		<u>5,206,334</u>		<u>5,600,585</u>	
		9,829,211		9,234,844	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>1,631,748</u>		<u>1,106,997</u>	
<b>NET CURRENT ASSETS</b>			<u>8,197,463</u>		<u>8,127,847</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,473,851		13,189,288
<b>CREDITORS</b>					
Amounts falling due after more than one year	16		(39,825)		(66,958)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(97,752)</u>		<u>(20,508)</u>
<b>NET ASSETS</b>			<u><u>13,336,274</u></u>		<u><u>13,101,822</u></u>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET - continued**  
**31 JULY 2023**

		<b>2023</b>		<b>2022</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		8,052		8,052
Capital redemption reserve			1,500		1,500
Retained earnings			<u>13,326,722</u>		<u>13,092,270</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>13,336,274</u>		<u>13,101,822</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2024 and were signed on its behalf by:

Dr D Alleyne - Director

The notes form part of these financial statements

**COMPANY BALANCE SHEET**  
**31 JULY 2023**

		<b>2023</b>		<b>2022</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Intangible assets	10		3,436,742		3,180,781
Tangible assets	11		1,665,612		1,678,568
Investments	12		<u>2,882</u>		<u>2,882</u>
			5,105,236		4,862,231
<b>CURRENT ASSETS</b>					
Stocks	13	2,177,463		1,400,263	
Debtors	14	3,768,591		3,478,042	
Cash at bank and in hand		<u>5,145,497</u>		<u>5,560,289</u>	
		11,091,551		10,438,594	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>1,522,497</u>		<u>1,068,338</u>	
<b>NET CURRENT ASSETS</b>			<u>9,569,054</u>		<u>9,370,256</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			14,674,290		14,232,487
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>97,752</u>		<u>20,508</u>
<b>NET ASSETS</b>			<u>14,576,538</u>		<u>14,211,979</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		8,052		8,052
Capital redemption reserve			1,500		1,500
Retained earnings			<u>14,566,986</u>		<u>14,202,427</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>14,576,538</u>		<u>14,211,979</u>
Company's profit for the financial year			<u>1,814,559</u>		<u>2,190,761</u>

The notes form part of these financial statements

**COMPANY BALANCE SHEET - continued**  
**31 JULY 2023**

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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2024 and were signed on its behalf by:

Dr D Alleyne - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 August 2021</b>	8,052	12,560,612	1,500	12,570,164
<b>Changes in equity</b>				
Dividends	-	(1,087,500)	-	(1,087,500)
Total comprehensive income	-	1,619,158	-	1,619,158
<b>Balance at 31 July 2022</b>	8,052	13,092,270	1,500	13,101,822
<b>Changes in equity</b>				
Dividends	-	(1,450,000)	-	(1,450,000)
Total comprehensive income	-	1,684,452	-	1,684,452
<b>Balance at 31 July 2023</b>	8,052	13,326,722	1,500	13,336,274

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 August 2021</b>	8,052	13,099,166	1,500	13,108,718
<b>Changes in equity</b>				
Total comprehensive income	-	2,190,761	-	2,190,761
Dividends	-	(1,087,500)	-	(1,087,500)
<b>Balance at 31 July 2022</b>	8,052	14,202,427	1,500	14,211,979
<b>Changes in equity</b>				
Total comprehensive income	-	1,814,559	-	1,814,559
Dividends	-	(1,450,000)	-	(1,450,000)
<b>Balance at 31 July 2023</b>	8,052	14,566,986	1,500	14,576,538

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,050,610	2,714,249
Interest paid		(4,567)	(6,242)
Tax paid		-	(3,102)
Taxation refund		317,988	651,524
Net cash from operating activities		<u>2,364,031</u>	<u>3,356,429</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(1,261,343)	(1,356,813)
Purchase of tangible fixed assets		(72,193)	(78,348)
Interest received		52,962	1,603
Net cash from investing activities		<u>(1,280,574)</u>	<u>(1,433,558)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(27,708)	(12,000)
Equity dividends paid		(1,450,000)	(1,087,500)
Net cash from financing activities		<u>(1,477,708)</u>	<u>(1,099,500)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(394,251)</u>	<u>823,371</u>
<b>Cash and cash equivalents at beginning of year</b>	2	5,600,585	4,777,214
<b>Cash and cash equivalents at end of year</b>	2	<u>5,206,334</u>	<u>5,600,585</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before taxation	1,496,469	1,346,098
Depreciation charges	1,118,589	1,369,967
Finance costs	4,567	6,242
Finance income	<u>(52,962)</u>	<u>(1,603)</u>
	2,566,663	2,720,704
Increase in stocks	(777,200)	(163,062)
(Increase)/decrease in trade and other debtors	(264,179)	126,237
Increase in trade and other creditors	<u>525,326</u>	<u>30,370</u>
<b>Cash generated from operations</b>	<u><b>2,050,610</b></u>	<u><b>2,714,249</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 July 2023**

	31/7/23	1/8/22
	£	£
Cash and cash equivalents	<u>5,206,334</u>	<u>5,600,585</u>

**Year ended 31 July 2022**

	31/7/22	1/8/21
	£	£
Cash and cash equivalents	<u>5,600,585</u>	<u>4,777,214</u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2023**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/8/22 £	Cash flow £	At 31/7/23 £
<b>Net cash</b>			
Cash at bank and in hand	5,600,585	(394,251)	5,206,334
	<u>5,600,585</u>	<u>(394,251)</u>	<u>5,206,334</u>
<b>Debt</b>			
Finance leases	(88,593)	27,708	(60,885)
	<u>(88,593)</u>	<u>27,708</u>	<u>(60,885)</u>
<b>Total</b>	<u>5,511,992</u>	<u>(366,543)</u>	<u>5,145,449</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2023

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1. **STATUTORY INFORMATION**

Guided Ultrasonics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **STATEMENT OF COMPLIANCE**

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

3. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents the value excluding Value Added Tax of pipe testing equipment sales, rental and training services provided to customers during the year.

In respect of all goods and services provided to customers; the income is charged to profit and loss at the point when the goods or services are provided to the customer.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

**Tangible fixed assets**

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

Freehold property	- 2% straight line
Improvements to property	- 33% straight line and 20% straight line
Plant and machinery	- 33% on reducing balance and 15% straight line
Fixtures and fittings	- 50% on reducing balance and 15% on reducing balance
Computer equipment	- 33% on reducing balance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

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3. **ACCOUNTING POLICIES - continued**

**Stocks**

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

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2023**

**3. ACCOUNTING POLICIES - continued****Financial instruments**

Financial instruments 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**4. EMPLOYEES AND DIRECTORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,460,648	2,053,471
Social security costs	163,291	144,245
Other pension costs	139,145	144,783
	<u>2,763,084</u>	<u>2,342,499</u>

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

	<b>2023</b>	<b>2022</b>
Production and Development	34	31
Administration	10	10
Training	2	2
Management	4	4
Sales	8	7
	<u>58</u>	<u>54</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 58 (2022 - 54) .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2023**

**4. EMPLOYEES AND DIRECTORS - continued**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	325,357	509,038
Directors' pension contributions to money purchase schemes	<u>38,682</u>	<u>36,981</u>

Information regarding the highest paid director is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Emoluments etc	<u>156,637</u>	<u>148,755</u>

**5. OPERATING PROFIT**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	113,207	111,040
Development costs amortisation	1,005,382	1,258,927
Auditors' remuneration	905	922
Audit of financial statements	21,275	21,275
Foreign exchange differences	<u>(14,509)</u>	<u>11,581</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other interest paid	<u>4,567</u>	<u>6,242</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2023**

**7. TAXATION****Analysis of the tax credit**

The tax credit on the profit for the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	(265,227)	(293,568)
Deferred tax	<u>77,244</u>	<u>20,508</u>
Tax on profit	<u>(187,983)</u>	<u>(273,060)</u>

**Reconciliation of total tax credit included in profit and loss**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>1,496,469</u>	<u>1,346,098</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2022 - 19 %)	284,329	255,759
Effects of:		
Depreciation in excess of capital allowances	193,653	235,131
Effect of foreign subsidiary losses	34,563	117,937
Enhanced development expenditure	(900,223)	(997,871)
Cash in of research and development credits	122,451	95,726
Deferred tax movements	<u>77,244</u>	<u>20,258</u>
Total tax credit	<u>(187,983)</u>	<u>(273,060)</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 9. DIVIDENDS

	2023 £	2022 £
Ordinary shares of 1p each		
Final	<u>1,450,000</u>	<u>1,087,500</u>

## 10. INTANGIBLE FIXED ASSETS

## Group

	Development costs £
<b>COST</b>	
At 1 August 2022	10,678,096
Additions	<u>1,261,343</u>
At 31 July 2023	<u>11,939,439</u>
<b>AMORTISATION</b>	
At 1 August 2022	7,497,315
Amortisation for year	<u>1,005,382</u>
At 31 July 2023	<u>8,502,697</u>
<b>NET BOOK VALUE</b>	
At 31 July 2023	<u>3,436,742</u>
At 31 July 2022	<u>3,180,781</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 10. INTANGIBLE FIXED ASSETS - continued

## Company

Development  
costs  
£**COST**

At 1 August 2022

10,678,096

Additions

1,261,343

At 31 July 2023

11,939,439**AMORTISATION**

At 1 August 2022

7,497,315

Amortisation for year

1,005,382

At 31 July 2023

8,502,697**NET BOOK VALUE**

At 31 July 2023

3,436,742

At 31 July 2022

3,180,781



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 11. TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Short leasehold £	Improvements to property £
<b>COST</b>			
At 1 August 2022	1,612,305	120,444	523,290
Additions	-	-	-
At 31 July 2023	<u>1,612,305</u>	<u>120,444</u>	<u>523,290</u>
<b>DEPRECIATION</b>			
At 1 August 2022	94,639	46,828	463,203
Charge for year	<u>31,546</u>	<u>20,125</u>	<u>7,400</u>
At 31 July 2023	<u>126,185</u>	<u>66,953</u>	<u>470,603</u>
<b>NET BOOK VALUE</b>			
At 31 July 2023	<u>1,486,120</u>	<u>53,491</u>	<u>52,687</u>
At 31 July 2022	<u>1,517,666</u>	<u>73,616</u>	<u>60,087</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 11. TANGIBLE FIXED ASSETS - continued

## Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 August 2022	445,196	166,863	455,757	3,323,855
Additions	-	33,781	38,412	72,193
At 31 July 2023	445,196	200,644	494,169	3,396,048
<b>DEPRECIATION</b>				
At 1 August 2022	365,390	97,394	375,741	1,443,195
Charge for year	2,908	13,261	37,967	113,207
At 31 July 2023	368,298	110,655	413,708	1,556,402
<b>NET BOOK VALUE</b>				
At 31 July 2023	76,898	89,989	80,461	1,839,646
At 31 July 2022	79,806	69,469	80,016	1,880,660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 11. TANGIBLE FIXED ASSETS - continued

## Company

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 August 2022	1,612,305	449,341	383,692
Additions	-	-	-
At 31 July 2023	<u>1,612,305</u>	<u>449,341</u>	<u>383,692</u>
<b>DEPRECIATION</b>			
At 1 August 2022	94,639	449,341	365,390
Charge for year	<u>31,546</u>	-	<u>2,908</u>
At 31 July 2023	<u>126,185</u>	<u>449,341</u>	<u>368,298</u>
<b>NET BOOK VALUE</b>			
At 31 July 2023	<u>1,486,120</u>	-	<u>15,394</u>
At 31 July 2022	<u>1,517,666</u>	-	<u>18,302</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 11. TANGIBLE FIXED ASSETS - continued

## Company

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 August 2022	162,202	450,582	3,058,122
Additions	32,766	38,411	71,177
At 31 July 2023	<u>194,968</u>	<u>488,993</u>	<u>3,129,299</u>
<b>DEPRECIATION</b>			
At 1 August 2022	97,384	372,800	1,379,554
Charge for year	13,105	36,574	84,133
At 31 July 2023	<u>110,489</u>	<u>409,374</u>	<u>1,463,687</u>
<b>NET BOOK VALUE</b>			
At 31 July 2023	<u>84,479</u>	<u>79,619</u>	<u>1,665,612</u>
At 31 July 2022	<u>64,818</u>	<u>77,782</u>	<u>1,678,568</u>

Included within freehold property is land purchased of the value of £35,000 (2022: £35,000) which has not been depreciated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2023**

**12. FIXED ASSET INVESTMENTS****Company**

	<b>Other investments £</b>
<b>COST</b>	
At 1 August 2022 and 31 July 2023	<u>2,882</u>
<b>NET BOOK VALUE</b>	
At 31 July 2023	<u>2,882</u>
At 31 July 2022	<u>2,882</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****GUL ASIAPAC SDN BHD**

Registered office: 27-3, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur, Malaysia

Nature of business: Sale of guided wave testing equipment

	%		
	holding		
Class of shares:			
Ordinary	100.00		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
Aggregate capital and reserves		(1,016,145)	(793,291)
Loss for the year		<u>(222,854)</u>	<u>(317,159)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 202312. **FIXED ASSET INVESTMENTS - continued****GUL Americas Inc.**

Registered office: 1416 N Sam Houston Pkwy E Suite 100, Houston TX, 77032, United States of America

Nature of business: Sale of guided wave testing equipment

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(196,877)	(320,756)
Profit/(loss) for the year		<u>123,879</u>	<u>(258,334)</u>

13. **STOCKS**

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Stocks	<u>2,177,463</u>	<u>1,400,263</u>	<u>2,177,463</u>	<u>1,400,263</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	1,815,678	1,559,700	1,815,678	1,559,700
Amounts owed by group undertakings	-	-	1,335,110	1,271,123
Other debtors	247,912	300,673	247,912	300,673
VAT	102,810	114,267	102,810	114,267
Prepayments and accrued income	<u>279,014</u>	<u>259,356</u>	<u>267,081</u>	<u>232,279</u>
	<u>2,445,414</u>	<u>2,233,996</u>	<u>3,768,591</u>	<u>3,478,042</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Hire purchase contracts (see note 17)	21,060	21,635	-	-
Trade creditors	444,884	143,611	443,310	142,993
Social security and other taxes	65,851	70,712	65,851	70,712
Other creditors	49,385	61,010	44,473	54,981
Accruals and deferred income	1,050,568	810,029	968,863	799,652
	<u>1,631,748</u>	<u>1,106,997</u>	<u>1,522,497</u>	<u>1,068,338</u>

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2023	2022
	£	£
Hire purchase contracts (see note 17)	<u>39,825</u>	<u>66,958</u>

## 17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase	contracts
	2023	2022
	£	£
Net obligations repayable:		
Within one year	21,060	21,635
Between one and five years	<u>39,825</u>	<u>66,958</u>
	<u>60,885</u>	<u>88,593</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 17. LEASING AGREEMENTS - continued

## Group

	Non-cancellable	operating leases
	2023	2022
	£	£
Within one year	21,387	-
Between one and five years	81,698	-
	<u>103,085</u>	<u>-</u>

## Company

	Non-cancellable	operating leases
	2023	2022
	£	£
Within one year	-	9,223
Between one and five years	-	6,149
	<u>-</u>	<u>15,372</u>

## 18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Deferred tax				
Accelerated capital allowances	35,168	6,067	35,168	6,067
Tax losses carried forward	(796,602)	(4,157)	(796,602)	(4,157)
Accelerated development cost expenditure	859,186	18,598	859,186	18,598
	<u>97,752</u>	<u>20,508</u>	<u>97,752</u>	<u>20,508</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2023

## 18. PROVISIONS FOR LIABILITIES - continued

**Group**

	<b>Deferred tax £</b>
Balance at 1 August 2022	20,508
Provided during year	<u>77,244</u>
Balance at 31 July 2023	<u>97,752</u>

**Company**

	<b>Deferred tax £</b>
Balance at 1 August 2022	20,508
Provided during year	<u>77,244</u>
Balance at 31 July 2023	<u>97,752</u>

## 19. CALLED UP SHARE CAPITAL

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2023 £</b>	<b>2022 £</b>
725,000	Ordinary	1p	<u>7,250</u>	<u>7,250</u>

**Allotted and issued:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2023 £</b>	<b>2022 £</b>
80,200	Ordinary A	1p	<u>802</u>	<u>802</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 JULY 2023**

**20. RELATED PARTY DISCLOSURES**

The following amounts of directors remuneration (including employers national insurance) are split as follows:

		<b>2023</b>	<b>2022</b>
	<b>£</b>		
Bonus pool capitalisation		27,371	28,272
Bonus pool		55,569	50,262
Income statement		325,357	509,038
Capitalised wages costs		199,005	198,819
Directors pension contributions		38,650	38,437
		<u>645,952</u>	<u>824,828</u>

Key management personnel remuneration in the year totalled £574,688. (2022: £521,125.)

**21. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Dr D Alleyne and Dr B Pavlakovic.

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