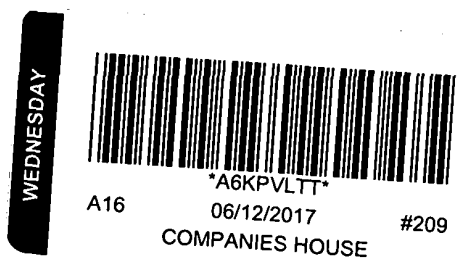


Company Registration No. 03951010 (England and Wales)

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017
PAGES FOR FILING WITH REGISTRAR



UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr L R Hutchison Mr J A Hutchison Mr A Tuck Mr L Taylor Mr S Vigurs |
| Secretary | Mr A Tuck |
| Company number | 03951010 |
| Registered office | Falcon House Mucklow Hill Halesowen West Midlands B62 8DT |
| Auditor | CK Audit No.4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH |
| Business address | Falcon House Mucklow Hill Halesowen West Midlands B62 8DT |

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

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UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Intangible assets | | | 21,562 | | 146,008 |
| Tangible assets | 4 | | 573,643 | | 629,986 |
| Investments | 5 | | 330,000 | | 330,000 |
| | | | <u>925,205</u> | | <u>1,105,994</u> |
| Current assets | | | | | |
| Stocks | | 415,957 | | 313,404 | |
| Debtors | | 966,452 | | 1,068,318 | |
| Cash at bank and in hand | | 186,715 | | 128,890 | |
| | | <u>1,569,124</u> | | <u>1,510,612</u> | |
| Creditors: amounts falling due within one year | | <u>(393,046)</u> | | <u>(444,577)</u> | |
| Net current assets | | | <u>1,176,078</u> | | <u>1,066,035</u> |
| Total assets less current liabilities | | | <u>2,101,283</u> | | <u>2,172,029</u> |
| Creditors: amounts falling due after more than one year | | | <u>(764,750)</u> | | <u>(1,090,058)</u> |
| Net assets | | | <u><u>1,336,533</u></u> | | <u><u>1,081,971</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 6 | | 580,100 | | 580,100 |
| Profit and loss reserves | | | 756,433 | | 501,871 |
| Total equity | | | <u><u>1,336,533</u></u> | | <u><u>1,081,971</u></u> |

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

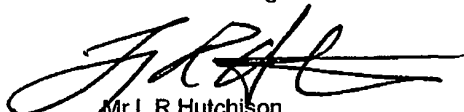
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 29 November 2017 and are signed on its behalf by:



Mr L R Hutchison
Director

Company Registration No. 03951010

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

UEI Fine Cut Limited t/a UEI Falcontec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Falcon House, Mucklow Hill, Halesowen, West Midlands, B62 8DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

These financial statements for the year ended 30 September 2017 are the first financial statements of UEI Fine Cut Limited t/a UEI Falcontec Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

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

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

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

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 4 or 5 years.

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

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

| | |
|--------------------------------|------------------------------|
| Land and buildings Leasehold | 20% straight line basis |
| Plant and machinery | 6% - 33% straight line basis |
| Fixtures, fittings & equipment | 25% straight line basis |
| Computer equipment | 33% straight line basis |
| Motor vehicles | 25% straight line basis |

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

1.5 Fixed asset investments

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

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

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

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

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

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

1.8 Cash at bank and in hand

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.10 Equity instruments

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

1.11 Employee benefits

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

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

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

1.12 Leases

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

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

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

1.13 Foreign exchange

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 42 (2016 - 38).

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Intangible fixed assets

| | Total £ |
|---|--------------------|
| Cost | |
| At 1 October 2016 and 30 September 2017 | 586,892 |
| Amortisation and impairment | |
| At 1 October 2016 | 440,884 |
| Amortisation charged for the year | 124,446 |
| At 30 September 2017 | 565,330 |
| Carrying amount | |
| At 30 September 2017 | 21,562 |
| At 30 September 2016 | 146,008 |

4 Tangible fixed assets

| | Total £ |
|------------------------------------|--------------------|
| Cost | |
| At 1 October 2016 | 1,302,635 |
| Additions | 149,983 |
| Disposals | (23,909) |
| At 30 September 2017 | 1,428,709 |
| Depreciation and impairment | |
| At 1 October 2016 | 672,649 |
| Depreciation charged in the year | 195,567 |
| Eliminated in respect of disposals | (13,150) |
| At 30 September 2017 | 855,066 |
| Carrying amount | |
| At 30 September 2017 | 573,643 |
| At 30 September 2016 | 629,986 |

5 Fixed asset investments

| | 2017 £ | 2016 £ |
|-------------|-------------------|-------------------|
| Investments | 330,000 | 330,000 |

The value of investments has been determined by historical cost rather than market value, and represents the holding of shares in the dormant company, UEI Falcontec Limited.

UEI FINE CUT LIMITED T/A UEI FALCONTEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

6 Called up share capital

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Ordinary share capital Issued and fully paid 580,100 Ordinary Shares of £1 each | 580,100 | 580,100 |
| | <u>580,100</u> | <u>580,100</u> |

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Wendy Davies.
The auditor was CK Audit.

8 Operating lease commitments

Lessee

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

| 2017 £ | 2016 £ |
|-----------|-----------|
| 268,167 | 314,167 |

9 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2017 £ | 2016 £ |
|--------------------------------------|-----------|-----------|
| Acquisition of tangible fixed assets | - | 4,800 |

10 Events after the reporting date

Review and discussion with management identified no events of material significance occurring after the balance sheet date.

11 Parent company

The immediate and ultimate parent company is Universal Engraving Inc., a company incorporated in the United States of America.

The ultimate controlling party is G E Hutchison, the father of J A Hutchison and L R Hutchison, who are directors of the company.