

Registered number: 02052152

FLEXDART LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



FLEXDART LIMITED

COMPANY INFORMATION

Directors

MF Bevan
ND Bevan
SH Patel
RF Bevan

Registered number

02052152

Registered office

Fairforal Works
Marsh Lane
Water Orton
Birmingham
B46 1NS

Independent auditors

Cooper Parry Group Limited
Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

FLEXDART LIMITED

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FLEXDART LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activities

The principal activities of the group are the recycling, refining and processing of ferrous and non-ferrous metals.

The group has two main trading divisions:

Beaver Metals buys all types of scrap metal in both large and small quantities from individuals and companies locally, nationally and internationally. The scrap is processed, graded and supplied according to the end users requirements. Typical end users will be metal smelting and refining companies where the recycling process is completed. The company also trades in secondary or surplus ferrous and non-ferrous reusable materials including electrical steels.

Beaver Metals has facilities for the dismantling, removal and processing of redundant machinery and oversize scrap with onsite lifting capability in excess of 55MT.

Metallic Extractors operates as a specialist refiner of non-ferrous metal drosses and residues. It buys and refines or will process on a toll basis material which is produced as a by-product of the melting process. This material may be complex in its nature and is processed into a number of easily recyclable products. In most cases the process enables the residues to be completely recycled.

Business review and outlook

The aftermath of the Covid-19 pandemic continues to cast its long shadow over the business environment. Both local and national government seem determined to allow owner managed businesses to struggle on coping with vastly increased charges and taxes with very little concern for their survivability.

Despite these difficulties the group, its management and its employees have been able to produce an acceptable performance in terms of profitability and cash flows. This is being achieved by the hard work and persistence of all at the group. However, it has been necessary to review the costs and overheads and where possible changes have been made to help ensure the continued prosperity of the group in this high inflation situation.

Business confidence is a key ingredient when looking towards the future and we look forward to an improved atmosphere in the owner managed business world.

Trading activities and business levels for the first two months of the new financial year (year ended 31 December 2023) have been encouraging and we are grateful for the continued support, dedication and enthusiasm of all our employees.

Principal risks and uncertainties

The directors are constantly on guard monitoring and mitigating risks which arise having 77% of our sales being exported.

Currency risk: The group is exposed to foreign currency risks, mainly US Dollars and Euros. It is the group's policy to hedge these transactions where possible to avoid losses on currency and protect margins.

Liquidity risk: The group manages financial risk by ensuring adequate liquidity is available to meet foreseeable needs.

Credit risk: The group seeks to manage the risk of customers through credit insurance.

Strategy

The group's strategy is to grow the business by the provision of a competitively priced, flexible and efficient service for the buying, selling and recycling of scrap metal and residues using safe and environmentally acceptable processes.

The group continues to investigate new opportunities as they become available.

FLEXDART LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the group as a whole, namely turnover, profit before tax and net assets.

Directors' section 172 (1) statement of compliance

The board of directors, acting in accordance with their duties under s172 of the Companies Act 2006, have acted in good faith and in a manner which they consider promotes the success of the group for the benefit of its members and by doing so have had regard to a range of matters when making decisions for the long term.

Business relationships

Having traded for over 35 years, the need to build strong long-standing relationships with both our customers and suppliers is paramount to the success of the group and its longevity. The group engages with a variety of stakeholders, including customers, suppliers and regulators which assists in making balanced and appropriate decisions for the group's strategy. The board considers stakeholder engagement as an important part of maintaining the group's integrity and reputation.

Our people

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, shareholders, communities, and society as a whole. People are at the heart of delivering quality specialist services both internally and externally. For our business to continue to succeed we continually seek to improve our peoples' training and performance development, bringing through talent and ensuring we operate as efficiently as possible.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Diversity

Our employment policies do not discriminate on the grounds of gender, colour, race, ethnicity, marital status, sexual orientation, religious beliefs or disability.

Employee engagement

Our workforce is our most valuable asset. The group invests in their training using the latest available technology in order for them to carry out their work. The health, safety and wellbeing of our employees is one of the primary considerations in the way we conduct our business. The group continuously engages with its employees and takes on board their recommendations when considering the future of the business.

Community, charity and environment

We support our staff in their charitable endeavours, encouraging them to get involved with organisations or events, alongside promoting their causes to our workforce to encourage sponsorship and awareness. As a business we also like to be proactive with fundraising and we support a variety of initiatives throughout the year.

Culture and values

The group recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals the right and fair way, so we look after the best interests of our shareholders, customers, people, suppliers, and other stakeholders.

FLEXDART LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Shareholders

Management are committed and openly engaged with shareholders through regular board meetings and effective dialogue. The shareholders and their representatives are actively engaged in understanding our strategy, culture, people and the performance of our shared objectives for the short, medium and longer terms.

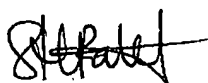
Payment of suppliers

With respect to suppliers the group policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

Political donations

The group does not make any donations to any political party or organisation.

This report was approved by the board and signed on its behalf by.



SH Patel
Director

Date: 14 April 2023

FLEXDART LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit and loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,170k (2021: £2,060k).

During the year, the group paid dividends of £625k (2021: £625k). The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

MF Bevan
ND Bevan
SH Patel
RF Bevan

Future developments

The directors do not foresee any changes to the principal activity of the company.

Matters included within the strategic report

The group has chosen in accordance with section 414C(11) of the Companies Act 2006 (strategic report and directors' report) Regulations 2013 to set out in the group's strategic report information required by the large and medium-sized companies and groups (accounts and reports) Regulations Schedule 7 to be contained in the directors' report.

FLEXDART LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Streamlined Energy and Carbon Reporting (SECR)

Given the principal activity of the group and the industry in which it operates, the group itself serves to significantly reduce UK greenhouse gas emissions. By recycling, refining and processing ferrous and non-ferrous metals, the group is having a profound, positive impact on the environment.

UK greenhouse gas emissions and energy use data for the period 1 January 2022 to 31 December 2022 with comparatives

	2022	2021
Energy consumption used to calculate emissions (kWh)	254,588	289,217
Scope 1		
Deemed not applicable to Flexdart Limited due to their being no combustion of natural gas.		
Scope 2 - gross emissions in metric tonnes CO2e		
Purchased electricity	49.23	67.43
Total gross emissions in metric tonnes CO2e	49.23	67.43
Intensity ratio per CO2e	1.00	1.27

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

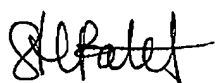
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per total average staff as per the note, the recommended ratio for the sector.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of the information.

This report was approved by the board and signed on its behalf.



SH Patel
Director

Date: 14 April 2023

FLEXDART LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXDART LIMITED

Opinion

We have audited the financial statements of Flexdart Limited ('the parent company') and its subsidiaries ('the group') for the year ended 31 December 2022, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated and company statement of changes in equity, the consolidated analysis of net debt and the related notes, 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's affairs as at 31 December 2022 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 United Kingdom, including the Financial Reporting Council'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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

FLEXDART LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXDART LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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.

FLEXDART LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXDART LIMITED (CONTINUED)

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment focused on key laws and regulations the group has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the group and how the group is complying with that framework, including a review of legal and professional nominal codes;
- obtaining and understanding the group's policies and procedures and how the group has complied with these, through discussions and walkthrough testing of controls;
- obtaining an understanding of the group's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and associated parties.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

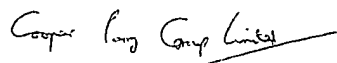
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

FLEXDART LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLEXDART LIMITED (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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gulsharon Kaur (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 25 April 2023

FLEXDART LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	3	64,475	50,150
Cost of sales		(53,632)	(41,163)
Gross profit		10,843	8,987
Distribution costs		(1,736)	(1,302)
Administrative expenses		(7,605)	(5,252)
Operating profit	4	1,502	2,433
Income from fixed asset investments	8	271	320
Interest receivable and similar income		30	-
Interest payable and expenses	9	(266)	(112)
Profit before taxation		1,537	2,641
Tax on profit	10	(367)	(581)
Profit for the financial year		1,170	2,060

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated profit and loss account.

The notes on pages 17 to 35 form part of these financial statements.

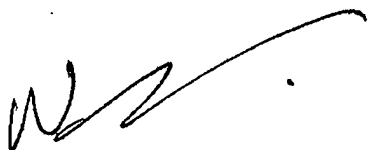
FLEXDART LIMITED
REGISTERED NUMBER:02052152

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	12	3,885	3,892
Investment property	14	4,644	4,644
		<u>8,529</u>	<u>8,536</u>
Current assets			
Stocks	15	11,640	13,598
Debtors: amounts falling due within one year	16	5,421	3,861
Cash at bank and in hand		1,501	878
		<u>18,562</u>	<u>18,337</u>
Creditors: amounts falling due within one year	17	(6,418)	(6,868)
Net current assets		<u>12,144</u>	<u>11,469</u>
Total assets less current liabilities		<u>20,673</u>	<u>20,005</u>
Creditors: amounts falling due after more than one year	18	(2,337)	(2,332)
Provisions for liabilities			
Deferred taxation	21	(870)	(752)
Net assets		<u><u>17,466</u></u>	<u><u>16,921</u></u>
Capital and reserves			
Share premium account	23	50	50
Revaluation reserve	23	2,671	2,671
Profit and loss account	23	14,745	14,200
Shareholders' funds		<u><u>17,466</u></u>	<u><u>16,921</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:
14 April 2023.

ND Bevan
Director



Date: 14 April 2023

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED
REGISTERED NUMBER:02052152

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	12	3,885	3,892
Investments	13	53	53
Investment property	14	4,644	4,644
		<u>8,582</u>	<u>8,589</u>
Current assets			
Stocks	15	11,640	13,598
Debtors: amounts falling due within one year	16	5,692	4,133
Cash at bank and in hand		1,501	878
		<u>18,833</u>	<u>18,609</u>
Creditors: amounts falling due within one year	17	<u>(6,813)</u>	<u>(7,264)</u>
Net current assets		<u>12,020</u>	<u>11,345</u>
Total assets less current liabilities		<u>20,602</u>	<u>19,934</u>
Creditors: amounts falling due after more than one year	18	(2,490)	(2,485)
Provisions for liabilities			
Deferred taxation	21	(870)	(752)
Net assets		<u>17,242</u>	<u>16,697</u>
Capital and reserves			
Share premium account	23	50	50
Revaluation reserve	23	2,671	2,671
Profit and loss account	23	14,521	13,976
Shareholders' funds		<u>17,242</u>	<u>16,697</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss statement in these financial statements. The parent company's profit for the period was £1,170k (2021: £2,062k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:
14 April 2023.

ND Bevan
Director

Date: 14 April 2023

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2022	-	50	2,671	14,200	16,921
Profit for the year	-	-	-	1,170	1,170
Dividends paid (note 11)	-	-	-	(625)	(625)
At 31 December 2022	-	50	2,671	14,745	17,466

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2021	-	50	2,671	12,765	15,486
Profit for the year	-	-	-	2,060	2,060
Dividends paid (note 11)	-	-	-	(625)	(625)
At 31 December 2021	-	50	2,671	14,200	16,921

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2022	-	50	2,671	13,976	16,697
Profit for the year	-	-	-	1,170	1,170
Dividends paid (note 11)	-	-	-	(625)	(625)
At 31 December 2022	-	50	2,671	14,521	17,242

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Shareholders' funds
	£000	£000	£000	£000	£000
At 1 January 2021	-	50	2,671	12,539	15,260
Profit for the year	-	-	-	2,062	2,062
Dividends paid (note 11)	-	-	-	(625)	(625)
At 31 December 2021	-	50	2,671	13,976	16,697

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	1,170	2,060
Adjustments for:		
Depreciation of tangible fixed assets	771	722
Profit on disposal of tangible fixed assets	(109)	(179)
Interest received	(30)	-
Taxation charge	367	581
Decrease/(increase) in stocks	1,958	(3,891)
Increase in debtors	(1,560)	(614)
(Decrease)/increase in creditors	(2,180)	2,508
Corporation tax paid	(459)	(82)
Rental income from fixed asset investments	(271)	(320)
Interest payable and similar charges	266	112
Net cash (utilised in)/generated from operating activities	(77)	897
Cash flows from investing activities		
Purchase of tangible fixed assets	(837)	(808)
Sale of tangible fixed assets	182	197
Bank interest received	30	-
Rental income from fixed asset investments	271	320
Hire purchase interest paid	(48)	(39)
Net cash utilised in investing activities	(402)	(330)
Cash flows from financing activities		
New/(repayment of) bank loans	2,026	(89)
Repayment of finance leases	(81)	(94)
Dividends paid (note 11)	(625)	(625)
Bank loan and overdraft interest paid	(218)	(73)
Net cash generated from/(utilised in) financing activities	1,102	(881)
Net increase/(decrease) in cash and cash equivalents	623	(314)
Cash and cash equivalents at the beginning of the year	878	1,192
Cash and cash equivalents at the end of the year	1,501	878
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	1,501	878
	1,501	878

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	878	623	1,501
Bank loans due after 1 year	(1,146)	(226)	(1,372)
Bank loans due within 1 year	(120)	(1,800)	(1,920)
Finance leases due after 1 year	(1,186)	221	(965)
Finance leases due within 1 year	(640)	(140)	(780)
	<u>(2,214)</u>	<u>(1,322)</u>	<u>(3,536)</u>

The notes on pages 17 to 35 form part of these financial statements.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Flexdart Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of the registered office is disclosed on the company information page.

The financial statements are presented in Sterling (£) which is the functional currency of the group. The financial statements are for the year ended 31 December 2022 (2021: year ended 31 December 2021).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

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

1.4 Interest income

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.5 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.6 Borrowing costs

All borrowing costs are recognised in the consolidated profit and loss account in the year in which they are incurred.

1.7 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

1.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- between 5 and 8 years
Motor vehicles	- 4 years
Fixtures and fittings	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

Freehold land and buildings are carried at fair value determined with sufficient regularity by external valuers and with directors' valuations in the intervening periods. This is derived from the current market values and property yields for comparable land and buildings, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

At each balance sheet date, the directors review the carrying amount of the group's freehold land and buildings to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the directors estimate the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in the revaluation reserve, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in the consolidated profit and loss account, or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised within the consolidated profit and loss account.

Freehold property is fully depreciated, and freehold land is not depreciated.

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.10 Leasing and hire purchase fixed assets

Assets that are held by the group under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance lease. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the consolidated profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project only if certain specific criteria are met to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit and loss account in the period to which they relate.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.13 Investment property

Freehold investment property is carried at fair value determined with sufficient regularity by external valuers and with directors' valuations in the intervening periods. This is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

At each balance sheet date, the directors review the carrying amount of the group's freehold investment property to determine whether there is any indication that any assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the directors estimate the recoverable amount of the cash generating unit to which the asset belongs.

Fair value gains and losses are recognised in the consolidated profit and loss account, and then transferred to a separate reserve, the revaluation reserve.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

1.14 Valuation of investments

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the consolidated profit and loss account and the value of the investment is reduced accordingly.

1.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated profit and loss account.

1.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense in the consolidated profit and loss account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.19 Going concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate on the basis of comments made in their strategic report. The directors are confident that the group will continue in business for a period of at least 12 months following the date of signing these financial statements.

As at 31 December 2022 the group is in a strong net asset position of £17,466k and has cash reserves of £1,501k. Forecasts for 12 months from the date of approval of these financial statements show a continuation of strong trading and cash flow positions.

On this basis the directors are confident that the group has adequate resources to continue in operation for the 12 months from the date of approval of these financial statements and have therefore adopted the going concern basis in preparing the financial statements.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.20 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

All basic financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

2. Judgements in applying accounting policies and key sources of estimation

The process of preparing financial statements requires the use of accounting estimates, assumptions and judgements by the group regarding the future that may have a risk of giving rise to an adjustment to the carrying values of assets and liabilities. These estimates and assumptions are based upon information available at the time of the estimates or assumptions, including our historical experience, where relevant.

Revenue recognition

Revenue is recognised when the risks and rewards of ownership are transferred to the customers, which is typically based on the contractual delivery terms agreed to with the customer and fulfilment of all but inconsequential or perfunctory actions. In addition, our policy requires persuasive evidence of an arrangement, a fixed or determinable sales price and reasonable assurance of collectability.

Recoverability of trade and other debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Depreciation

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Residual value and useful life assessments consider issues such as future market conditions, the remaining life of the asset and maintenance programmes.

Impairment

Management assesses the impairment of non-current assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that may trigger an impairment review include the following: significant underperformance relative to historical or projected future operating results, changes in the manner of the use of the acquired assets or the strategy for the overall business and significant negative industry or economic trends. Management also take into account market knowledge, professional judgement and comparable historical transactions.

Assumptions relating to tax

Management estimation is required to determine the amount of deferred tax assets or liabilities that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Judgements in applying accounting policies (continued)

Stocks

There is an element of estimation with regards to the valuation of stock at the year-end. This is due to the nature of the stock and the variability in the quality and grades of the metals that could exist, and also due to the varying metal prices which impacts the value of the stock. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the group's products and achievable selling prices. For stock held at third parties an independent third party expert performs a valuation of the stock at the year-end.

Investment property

Whilst the value of the properties is assessed by the directors every year, the properties are sensitive to a range of varying factors. The last full external valuation was performed in August 2019 from which the directors do not believe the value of the investment properties has materially changed. To support the directors assessment, a desktop valuation was completed in January 2023 and this confirms that the carrying value of investment property held within the group financial statements is materially in line with its market value.

Leases

The directors determine whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

3. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
United Kingdom	14,909	10,539
Europe	28,994	22,360
Asia	13,378	15,742
Rest of world	7,194	1,509
	<u>64,475</u>	<u>50,150</u>

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Operating profit

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

	2022 £000	2021 £000
Depreciation of tangible fixed assets	194	147
Depreciation of tangible fixed assets under finance leases and hire purchase contracts	577	575
Exchange differences	(177)	(104)
Cost of defined contribution pension scheme	35	33
Profit on disposal of tangible fixed assets	(109)	(179)
Research & development charged as an expense	-	437
	<u> </u>	<u> </u>

5. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the group's auditors and their associates in respect of:		
The audit of the group's financial statements	21	19
Preparation of the group's annual financial statements	1	1
Taxation compliance services	4	3
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	7,316	5,320	7,316	5,320
Social security costs	951	685	951	685
Cost of defined contribution pension scheme	35	33	35	33
	<u>8,302</u>	<u>6,038</u>	<u>8,302</u>	<u>6,038</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Management	4	4	4	4
Administration	12	14	12	14
Works	32	31	32	31
	<u>48</u>	<u>49</u>	<u>48</u>	<u>49</u>

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	6,040	4,265
Company contributions to defined contribution pension scheme	12	13
	<u>6,052</u>	<u>4,278</u>

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,994k (2021: £1,488k).

The highest paid director received pension contributions of £Nil (2021: £Nil).

Emoluments paid to key management personnel during the year amounted to £6,052k (2021: £4,278k).

8. Income from fixed asset investments

	2022	2021
	£000	£000
Rental income from fixed asset investments	271	320
	<u>271</u>	<u>320</u>

9. Interest payable and expenses

	2022	2021
	£000	£000
Bank interest payable	218	73
Finance leases and hire purchase contracts	48	39
	<u>266</u>	<u>112</u>

FLEXDART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	250	359
Adjustments in respect of previous periods	(1)	(1)
Total current tax	<u>249</u>	<u>358</u>
Deferred tax		
Origination and reversal of timing differences	90	56
Effect of tax rate change on opening balances	28	167
Total deferred tax	<u>118</u>	<u>223</u>
Taxation on profit on ordinary activities	<u>367</u>	<u>581</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	<u>1,537</u>	<u>2,641</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	292	502
Effects of:		
Fixed asset differences	(41)	-
Expenses not deductible for tax purposes	15	7
Capital gains differences	-	14
Adjustments to current tax charge in respect of prior periods	(1)	(1)
Effect of tax rate change on opening balances	28	167
Additional deduction for R&D expenditure	-	(108)
Movement in deferred tax not recognised	74	-
Total tax charge for the year	<u>367</u>	<u>581</u>

FLEXDART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 31 December 2022. As such, the deferred tax rate applicable at 31 December 2022 is 25% and deferred tax has been re-measured at the hybrid rate.

11. Dividends

	2022	2021
	£000	£000
Dividends paid	625	625

12. Tangible fixed assets

Group and Company

	Freehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 January 2022	1,707	5,393	865	109	166	8,240
Additions	-	690	90	24	33	837
Disposals	-	(1,800)	(178)	(17)	-	(1,995)
At 31 December 2022	1,707	4,283	777	116	199	7,082
Depreciation						
At 1 January 2022	51	3,874	334	89	-	4,348
Charge for the year	-	566	192	13	-	771
Disposals	-	(1,774)	(131)	(17)	-	(1,922)
At 31 December 2022	51	2,666	395	85	-	3,197
Net book value						
At 31 December 2022	1,656	1,617	382	31	199	3,885
At 31 December 2021	1,656	1,519	531	20	166	3,892

4) " u. FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets (continued)

The group's freehold land of £1,656k has not been depreciated.

The group's freehold land and buildings were valued on an open market basis in August 2019 by Avison Young, a firm of independent chartered surveyors, at market value. At the balance sheet date, the directors have reviewed the carrying amount of the freehold land and buildings and do not consider the valuation to be materially different from the fair value as at August 2019.

Valuation at 31 December 2022 is as follows:

	£'000
Cost	304
Revaluation in 2019	1,403
At 31 December 2022	1,707

If freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2021	2020
	£000	£000
Cost	304	304
Accumulated depreciation	(51)	(51)
	<u>253</u>	<u>253</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£000	£000
Plant and machinery and motor vehicles	<u>1,317</u>	<u>1,872</u>

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	450
At 31 December 2022	450
Impairment	
At 1 January 2022	397
At 31 December 2022	397
Net book value	
At 31 December 2022	53
At 31 December 2021	53

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Beaver Metals Pty Limited	Ordinary	100%
Beaver Metals (London) Limited	Ordinary	100%
Ryknild Trading Limited	Ordinary	100%
Metallic Extractors (Non-Ferrous) Limited	Ordinary	100%
John Philips Metals Limited	Ordinary	100%
Heart of England Compounding Limited	Ordinary	100%

The subsidiary undertakings listed above are all dormant companies.

The registered office in relation to all of the subsidiaries is as stated on the company information page.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. Investment property

Group and Company

	Freehold investment property £000
Valuation	
At 1 January 2022	4,644
At 31 December 2022	4,644

The group's freehold investment properties were valued on an open market basis in August 2019 by Avison Young, a firm of independent chartered surveyors, at market value. At the balance sheet date, the directors have reviewed the carrying amount of the freehold investment property and do not consider the valuation to be materially different from the fair value as at August 2019. Subsequent to the year end in January 2023 a desktop valuation was completed by Johnson Fellows, a firm of independent chartered surveyors. This valuation supports that the carrying value of investment property as at 31 December 2022 is materially in line with its market value.

Valuation at 31 December 2022 is as follows:

	£'000
Cost	2,930
Revaluation in 2008	504
Revaluation in 2013	280
Revaluation in 2017	493
Revaluation in 2019	437
At 31 December 2022	4,644

15. Stocks

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Raw materials and consumables	11,640	13,598	11,640	13,598

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	3,984	3,067	3,984	3,067
Amounts owed by group undertakings	-	-	271	271
Other debtors	1,268	637	1,268	638
Prepayments and accrued income	169	157	169	157
	<u>5,421</u>	<u>3,861</u>	<u>5,692</u>	<u>4,133</u>

Amounts owed by group undertakings are interest free and repayable on demand.

17. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	1,920	120	1,920	120
Trade creditors	2,464	4,904	2,464	4,904
Amounts owed to group undertakings	-	-	408	408
Corporation tax	150	360	150	360
Other taxation and social security	430	313	430	313
Obligations under finance lease and hire purchase contracts	780	640	780	640
Other creditors	133	112	133	112
Accruals and deferred income	541	419	528	407
	<u>6,418</u>	<u>6,868</u>	<u>6,813</u>	<u>7,264</u>

Included within bank loans are two loans. The first loan, totalling £1,800,000 (2021: £Nil) is to be repaid in monthly installments over the next 2 years, with final repayment due in February 2024. Interest is charged at 2.3% above base rate. The second loan, totalling £120,000 (2021: £120,000) is to be repaid in monthly installments, with final repayment due in November 2024. Interest is charged at 2.3% above base rate. As part of this relationship, the group also has a class guarantee facility of £20,000. All bank loans are secured on the assets of the group.

Amounts owed to group undertakings are interest free and repayable on demand.

The amounts due under finance lease and hire purchase contracts are secured on the assets to which they relate.

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	1,372	1,146	1,372	1,146
Net obligations under finance leases and hire purchase contracts	965	1,186	965	1,186
Amounts owed to group undertakings	-	-	153	153
	<u>2,337</u>	<u>2,332</u>	<u>2,490</u>	<u>2,485</u>

Included within bank loans are two loans. The first loan, totalling £300,000 (2021: £Nil) is to be repaid in monthly installments over the next 2 years, with final repayment due in February 2024. Interest is charged at 2.3% above base rate. The second loan, totalling £1,072,000 (2021: £1,146,000) is to be repaid in monthly installments, with final repayment due in November 2024. Interest is charged at 2.3% above base rate. As part of this relationship, the group also has a class guarantee facility of £20,000. All bank loans are secured on the assets of the group.

Amounts owed to group undertakings are interest free and repayable on demand.

The amounts due under finance lease and hire purchase contracts are secured on the assets to which they relate.

19. Loans

This note provides information about the contractual terms of the group's and parent company's interest bearing loans and borrowings which are measured at amortised cost.

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year				
Bank loans	1,920	120	1,920	120
Amounts falling due 1-2 years				
Bank loans	1,372	120	1,372	120
Amounts falling due 2-5 years				
Bank loans	-	1,026	-	1,026
	<u>3,292</u>	<u>1,266</u>	<u>3,292</u>	<u>1,266</u>

See notes 17 and 18 for disclosure regarding repayment period, interest rates and security.

FLEXDART LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Within one year	780	640	780	640
Between 1-5 years	965	1,186	965	1,186
	<u>1,745</u>	<u>1,826</u>	<u>1,745</u>	<u>1,826</u>

See notes 17 and 18 for disclosure regarding security.

21. Deferred taxation

Group

	2022 £000	2021 £000
At the beginning of the year	752	529
Charged to the consolidated profit and loss account	118	223
At the end of the year	<u>870</u>	<u>752</u>

The provision for deferred taxation is made up as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Fixed asset timing differences	467	411	467	411
Short term timing differences	(36)	-	(36)	-
Capital gains	439	341	439	341
	<u>870</u>	<u>752</u>	<u>870</u>	<u>752</u>

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
180 Ordinary shares of £1 each	<u>180</u>	<u>180</u>

FLEXDART LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Reserves

Share premium account

This represents the difference between the par value of shares issued and the issue price.

Revaluation reserve

This is an unrealisable reserve and represents the cumulative effect of any revaluations in relation to the group's freehold land and buildings and freehold investment property, less historic amounts transferred to the consolidated profit and loss account in respect of excess depreciation on revalued assets.

Included within the revaluation reserve are revaluation gains on freehold investment property transferred from the profit and loss reserve of £1,714k (2021: £1,714k).

Capital redemption reserve

Included within the capital redemption reserve is £80 (2021: £80).

Profit and loss account

The profit and loss account represents accumulated profits and losses for the current period and prior periods less dividends paid.

24. Pension commitments

The group contributes to a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the group in independently administered funds. The pension charge represents contributions payable by the group to the funds and amounted to £35,000 (2021: £33,000). Contributions totalling £Nil (2021: £Nil) were payable at the balance sheet date.

25. Related party transactions

During the year, the company advanced several informal loans to a director, all of which were repaid shortly after they were issued. The total advances in the year amounted to £240,000 (2021: £234,000) and all amounts were settled before the year end, resulting in a balance of £Nil owing as at 31 December 2022 (2021: £Nil). These advances did not attract interest due to their short term nature.

During the year salaries were paid to other related parties totalling £161,000 (2021: £141,000).

26. Ultimate controlling party

The board does not consider there to be one controlling party.