

COMPANY REGISTRATION NUMBER 03722788

ALLOY WIRE INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
31 MARCH 2013



BSN ASSOCIATES LIMITED
Chartered Accountants & Statutory Auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

ALLOY WIRE INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

| CONTENTS | PAGES |
|---|-----------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 to 4 |
| Independent auditor's report to the shareholders | 5 to 6 |
| Profit and loss account | 7 |
| Balance sheet | 8 to 9 |
| Cash flow statement | 10 |
| Notes to the financial statements | 11 to 23 |
| The following pages do not form part of the financial statements | |
| Detailed profit and loss account | 25 |
| Notes to the detailed profit and loss account | 26 to 27 |

ALLOY WIRE INTERNATIONAL LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr M Venables
Mr A W Hogarth
Mr I Fitzgerald
Mr P Lambe

Registered office

Narrowboat Way
Hurst Business Park
Brierley Hill
West Midlands
DY5 1UF

Auditor

BSN Associates Limited
Chartered Accountants
& Statutory Auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

ALLOY WIRE INTERNATIONAL LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of the manufacturing of round, shaped wire from high nickel alloys

The directors are pleased with the continued growth the company has seen during the year and are satisfied with the overall position of the company at the year end

The directors measure the business's financial performance against certain key performance indicators (KPIs) These KPIs include sales levels and added value, which are measured against break even levels

FUTURE DEVELOPMENTS

The directors are confident that the company will continue to be profitable and that this current level of turnover will be maintained

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,948,298 Particulars of dividends paid are detailed in note 9 to the financial statements

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 18 to the accounts

RESEARCH AND DEVELOPMENT

The company has carried out research and development activities in the year

DIRECTORS

The directors who served the company during the year were as follows

Mr W Graham
Mr M Cobb
Mr P S Wiltshire
Mr M Venables
Mr A W Hogarth
Mr I Fitzgerald
Mr P Lambe

Mr I Fitzgerald was appointed as a director on 5 September 2012

Mr P Lambe was appointed as a director on 5 September 2012

Mr P S Wiltshire passed away on 8 August 2012

Mr W Graham retired as a director on 1 May 2013

Mr M Cobb retired as a director on 1 May 2013

Euro

The impact of the Euro has been considered generally by the company The initial adoption of the Euro has not had a significant effect on the company and the directors do not consider that this position will change in the future However, the directors continue to monitor the position

ALLOY WIRE INTERNATIONAL LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions

| | 2013 | 2012 |
|------------|--------------|--------------|
| | £ | £ |
| Charitable | <u>3,780</u> | <u>3,360</u> |

POST BALANCE SHEET EVENT

No post balance sheet events have occurred since the balance sheet date and up to the date of this report.

ALLOY WIRE INTERNATIONAL LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

AUDITOR

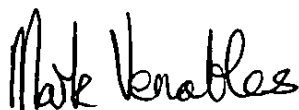
BSN Associates Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Each of the persons who is a director at the date of approval of this report confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Registered office
Narrowboat Way
Hurst Business Park
Brierley Hill
West Midlands
DY5 1UF

Signed on behalf of the directors



Mr M Venables

Director

Approved by the directors on 27 September 2013

ALLOY WIRE INTERNATIONAL LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ALLOY WIRE INTERNATIONAL LIMITED
YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Alloy Wire International Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALLOY WIRE INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALLOY WIRE INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 31 MARCH 2013

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

BSN Associates Limited

STEVEN RICHARDS BA FCA (Senior
Statutory Auditor)
For and on behalf of
BSN ASSOCIATES LIMITED
Chartered Accountants
& Statutory Auditor

3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

27 September 2013

ALLOY WIRE INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2013

| | Note | 2013 £ | 2012 £ |
|--|----------|-------------------------|-----------------------|
| TURNOVER | 2 | 8,656,605 | 7,533,178 |
| Cost of sales | | <u>4,486,617</u> | <u>4,496,799</u> |
| GROSS PROFIT | | 4,169,988 | 3,036,379 |
| Distribution costs | | 373,939 | 286,385 |
| Administrative expenses | | 1,569,176 | 1,793,630 |
| Other operating income | 3 | <u>(256,652)</u> | <u>—</u> |
| OPERATING PROFIT | 4 | 2,483,525 | 956,364 |
| Provision for loss on operations to be discontinued | | <u>—</u> | <u>31,715</u> |
| | | 2,483,525 | 988,079 |
| Interest receivable | | 39 | 1,935 |
| Interest payable and similar charges | 7 | <u>(4,588)</u> | <u>6,929</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,478,976 | 996,943 |
| Tax on profit on ordinary activities | 8 | <u>530,678</u> | <u>265,387</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u>1,948,298</u> | <u>731,556</u> |

All of the activities of the company are classed as continuing

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £1,948,298 attributable to the shareholders for the year ended 31 March 2013 (2012 - profit of £731,556)

The notes on pages 11 to 23 form part of these financial statements

ALLOY WIRE INTERNATIONAL LIMITED

BALANCE SHEET

31 MARCH 2013

| | Note | 2013 £ | 2012 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | 90,000 | 105,000 |
| Tangible assets | 11 | 600,584 | 720,943 |
| Investments | 12 | 102 | 102 |
| | | <u>690,686</u> | <u>826,045</u> |
| CURRENT ASSETS | | | |
| Stocks | 13 | 1,192,287 | 1,337,325 |
| Debtors | 14 | 1,453,820 | 1,008,063 |
| Cash at bank | | 1,871,754 | 923,867 |
| | | <u>4,517,861</u> | <u>3,269,255</u> |
| CREDITORS: Amounts falling due within one year | 15 | <u>2,051,849</u> | <u>2,228,416</u> |
| NET CURRENT ASSETS | | <u>2,466,012</u> | <u>1,040,839</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,156,698</u> | <u>1,866,884</u> |
| CREDITORS: Amounts falling due after more than one year | 16 | — | 118,389 |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 17 | 49,075 | 40,072 |
| | | <u>3,107,623</u> | <u>1,708,423</u> |

The Balance sheet continues on the following page.
The notes on pages 11 to 23 form part of these financial statements

ALLOY WIRE INTERNATIONAL LIMITED

BALANCE SHEET *(continued)*

31 MARCH 2013

| | Note | 2013 £ | 2012 £ |
|--------------------------------|------|------------------|------------------|
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 22 | 274,549 | 274,549 |
| Share premium account | 23 | 179,903 | 179,903 |
| Capital redemption reserve | 23 | 33,200 | 33,200 |
| Profit and loss account | 23 | 2,619,971 | 1,220,771 |
| SHAREHOLDERS' FUNDS | 24 | <u>3,107,623</u> | <u>1,708,423</u> |

These accounts were approved by the shareholders and authorised for issue on 27 September 2013, and are signed on their behalf by



MR M VENABLES

Company Registration Number 03722788

The notes on pages 11 to 23 form part of these financial statements

ALLOY WIRE INTERNATIONAL LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2013

| | Note | 2013 £ | 2012 £ |
|---|------|-----------|-----------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 25 | 1,895,507 | 957,019 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 25 | (4,549) | 8,864 |
| TAXATION | 25 | (239,547) | (210,430) |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 25 | 2,213 | (154,748) |
| EQUITY DIVIDENDS PAID | | (549,098) | (549,098) |
| CASH INFLOW BEFORE FINANCING | | 1,104,526 | 51,607 |
| FINANCING | 25 | (156,639) | (96,814) |
| INCREASE/(DECREASE) IN CASH | 25 | 947,887 | (45,207) |

The notes on pages 11 to 23 form part of these financial statements

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year excluding Value Added Tax. Turnover is recognised when the goods are physically delivered to the customer

Research and development

Research and development expenditure is written off in the year in which it is incurred

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 20 years straight line

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

| | |
|--------------------|------------------------|
| Leasehold Property | - 20% straight line |
| Plant & Machinery | - 10-20% straight line |
| Motor Vehicles | - 20% straight line |

Freehold property is not depreciated as it is the policy of the board to maintain the property in a good condition with costs being charged to revenue as they are incurred. The estimated residual value of the premises would result in any depreciation charge being of little significance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on latest cost price basis and includes labour and overhead where relevant. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

| | 2013 | 2012 |
|----------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 4,319,104 | 3,777,042 |
| Europe | 2,644,102 | 1,791,783 |
| Asia | 376,297 | 520,562 |
| America | 1,136,478 | 1,255,268 |
| Australasia | 114,873 | 101,130 |
| Africa | 11,711 | 9,607 |
| Middle East | 54,040 | 77,786 |
| | <u>8,656,605</u> | <u>7,533,178</u> |

3. OTHER OPERATING INCOME

| | 2013 | 2012 |
|------------------------|----------------|----------|
| | £ | £ |
| Other operating income | <u>256,652</u> | <u>—</u> |

Other operating income received relates to a keyman policy

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

| | 2013 | 2012 |
|---|---------------|--------------|
| | £ | £ |
| Amortisation of intangible assets | 15,000 | 15,000 |
| Depreciation of owned fixed assets | 72,967 | 57,653 |
| Loss/(Profit) on disposal of fixed assets | 45,179 | (16,970) |
| Auditor's remuneration | | |
| - as auditor | 6,800 | 6,700 |
| - as auditor | 6,800 | 6,700 |
| - for other services | 23,200 | 26,300 |
| Operating lease costs | | |
| - Other | 32,141 | 31,000 |
| Net loss on foreign currency translation | <u>80,491</u> | <u>3,911</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

| | 2013 | 2012 |
|----------------------|---------------|---------------|
| | £ | £ |
| Audit | 6,800 | 6,700 |
| Accountancy | 4,000 | 4,500 |
| Taxation | 7,200 | 9,800 |
| Business consultancy | 12,000 | 12,000 |
| | <u>30,000</u> | <u>33,000</u> |

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

| | 2013 | 2012 |
|--------------------------------|-----------|-----------|
| | No | No |
| Number of production staff | 20 | 19 |
| Number of administrative staff | 9 | 8 |
| | <u>29</u> | <u>27</u> |

The aggregate payroll costs of the above were

| | 2013 | 2012 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,837,057 | 2,074,770 |
| Social security costs | 221,050 | 255,754 |
| Other pension costs | 49,487 | 245,460 |
| | <u>2,107,594</u> | <u>2,575,984</u> |

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

| | 2013 | 2012 |
|--|----------------|------------------|
| | £ | £ |
| Aggregate remuneration | 752,984 | 977,074 |
| Value of company pension contributions to money purchase schemes | 14,009 | 208,550 |
| | <u>766,993</u> | <u>1,185,624</u> |

Remuneration of highest paid director:

| | 2013 | 2012 |
|--|----------------|----------------|
| | £ | £ |
| Total remuneration (excluding pension contributions) | <u>241,245</u> | <u>502,249</u> |

ALLOY WIRE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

6. DIRECTORS' REMUNERATION *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows

| | 2013 | 2012 |
|------------------------|----------|----------|
| | No | No |
| Money purchase schemes | <u>4</u> | <u>3</u> |

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 | 2012 |
|------------------------------------|--------------|----------------|
| | £ | £ |
| Interest payable on bank borrowing | 4,588 | 8,562 |
| Finance charges | — | 650 |
| Interest on other loans | — | (16,141) |
| | <u>4,588</u> | <u>(6,929)</u> |

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2013 | 2012 |
|--|----------------|----------------|
| | £ | £ |
| Current tax | | |
| In respect of the year | | |
| UK Corporation tax based on the results for the year at 24% (2012 - 26%) | 521,683 | 246,055 |
| Over/under provision in prior year | (8) | (31) |
| Total current tax | <u>521,675</u> | <u>246,024</u> |
| Deferred tax | | |
| Origination and reversal of timing differences (note 17) | | |
| Capital allowances | <u>9,003</u> | <u>19,363</u> |
| Tax on profit on ordinary activities | <u>530,678</u> | <u>265,387</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

| | 2013 £ | 2012 £ |
|--|------------------|----------------|
| Profit on ordinary activities before taxation | <u>2,478,976</u> | <u>996,943</u> |
| Profit on ordinary activities by rate of tax | 594,954 | 259,205 |
| Expenses not deductible for tax purposes | (51,409) | 9,399 |
| Capital allowances for period in excess of depreciation | (9,405) | (20,843) |
| Tax chargeable at lower rates | (1,343) | - |
| Adjustments to tax charge in respect of previous periods | (8) | 6,469 |
| Marginal relief | - | (8,206) |
| Research and development claims | (21,306) | - |
| Tax relief on unrelieved capital losses | <u>10,192</u> | <u>-</u> |
| Total current tax (note 8(a)) | <u>521,675</u> | <u>246,024</u> |

9. DIVIDENDS

Equity dividends

| | 2013 £ | 2012 £ |
|----------------------|----------------|----------------|
| Paid during the year | | |
| Dividends paid | <u>549,098</u> | <u>549,098</u> |

Dividends of 200p (2012 200p) per share have been paid during the year

10. INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|-----------------------------------|----------------|
| COST | |
| At 1 April 2012 and 31 March 2013 | <u>300,000</u> |
| AMORTISATION | |
| At 1 April 2012 | 195,000 |
| Charge for the year | <u>15,000</u> |
| At 31 March 2013 | <u>210,000</u> |
| NET BOOK VALUE | |
| At 31 March 2013 | <u>90,000</u> |
| At 31 March 2012 | <u>105,000</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

11. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Leasehold Property £ | Plant & Machinery £ | Motor Vehicles £ | Total £ |
|-------------------------|---------------------------|----------------------------|---------------------------|------------------------|------------------|
| COST | | | | | |
| At 1 April 2012 | 455,179 | 21,452 | 695,293 | 41,793 | 1,213,717 |
| Additions | – | 16,029 | 129,426 | – | 145,455 |
| Disposals | (185,733) | – | (42,426) | (792) | (228,951) |
| Transfers | – | 1,490 | (1,490) | – | – |
| At 31 March 2013 | 269,446 | 38,971 | 780,803 | 41,001 | 1,130,221 |
| DEPRECIATION | | | | | |
| At 1 April 2012 | – | 21,452 | 457,959 | 13,363 | 492,774 |
| Charge for the year | – | 3,206 | 62,957 | 6,804 | 72,967 |
| On disposals | – | – | (35,472) | (632) | (36,104) |
| Transfers | – | 1,490 | (1,490) | – | – |
| At 31 March 2013 | – | 26,148 | 483,954 | 19,535 | 529,637 |
| NET BOOK VALUE | | | | | |
| At 31 March 2013 | 269,446 | 12,823 | 296,849 | 21,466 | 600,584 |
| At 31 March 2012 | 455,179 | – | 237,334 | 28,430 | 720,943 |

Capital commitments

| | 2013 £ | 2012 £ |
|---|--------------|-----------|
| Contracted but not provided for in the financial statements | 9,269 | 42,000 |

The company agreed to purchase fixed assets worth £9,269 prior to the year end. These fixed assets were not installed and in use until after the year end.

12. INVESTMENTS

Investment in subsidiary undertakings

| | £ |
|---|---------------|
| COST | |
| At 1 April 2012 and 31 March 2013 | 80,000 |
| AMOUNTS WRITTEN OFF | |
| At 1 April 2012 and 31 March 2013 | 79,898 |
| NET BOOK VALUE | |
| At 31 March 2013 and 31 March 2012 | 102 |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

12. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of Resistance Wires Limited in which it holds 2 £1 ordinary shares and Precision Shaped Wires Limited in which it holds 100 £1 ordinary shares. The net asset values, profits and activities of the subsidiaries for the year are as listed below,

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Aggregate capital and reserves | | |
| Resistance Wires Limited (dormant) | 2 | 2 |
| Precision Shaped Wires Limited (dormant) | 100 | 100 |
| Profit and (loss) for the year | | |
| Resistance Wires Limited (dormant) | – | – |
| Precision Shaped Wires Limited (dormant) | – | – |

Precision Shaped Wires Limited is a company registered in England & Wales and Resistance Wires Limited is a company registered in Scotland

Under the provision of section 405 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so on the grounds that all of its subsidiaries are collectively not material for the purposes of giving a true and fair view. Therefore, the accounts show information about the company as an individual entity only.

13. STOCKS

| | 2013 £ | 2012 £ |
|-------|------------------|------------------|
| Stock | <u>1,192,287</u> | <u>1,337,325</u> |

14. DEBTORS

| | 2013 £ | 2012 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 1,402,483 | 889,973 |
| Prepayments and accrued income | <u>51,337</u> | <u>118,090</u> |
| | <u>1,453,820</u> | <u>1,008,063</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

15. CREDITORS: Amounts falling due within one year

| | 2013 | 2012 |
|--|------------------|------------------|
| | £ | £ |
| Bank loans | — | 38,250 |
| Trade creditors | 968,849 | 1,239,621 |
| Amounts owed to group undertakings | 102 | 102 |
| Other creditors including taxation and social security | | |
| Corporation tax | 521,683 | 239,555 |
| PAYE and social security | 83,308 | 94,458 |
| VAT | 166,890 | 4,724 |
| Other creditors | 3,164 | 4,326 |
| Directors current accounts | 32,189 | 1,869 |
| | <u>807,234</u> | <u>344,932</u> |
| Accruals and deferred income | 275,664 | 605,511 |
| | <u>2,051,849</u> | <u>2,228,416</u> |

The bank loans and overdrafts are secured by fixed and floating charges on the assets of the company

16. CREDITORS: Amounts falling due after more than one year

| | 2013 | 2012 |
|------------|------|---------|
| | £ | £ |
| Bank loans | — | 118,389 |

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

| | 2013 | 2012 |
|--|---------------|---------------|
| | £ | £ |
| Provision brought forward | 40,072 | 20,709 |
| Profit and loss account movement arising during the year | 9,003 | 19,363 |
| Provision carried forward | <u>49,075</u> | <u>40,072</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of

| | 2013 | 2012 |
|---|---------------|---------------|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | <u>49,075</u> | <u>40,072</u> |
| | <u>49,075</u> | <u>40,072</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

Currency risk

The company monitors currency risk closely and considers that its current policies meets its objectives of managing exposure to currency risk

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

| | 2013 | | 2012 | |
|-------------------------------|----------------------------|---------------------|----------------------------|---------------------|
| | Land and buildings £ | Other Items £ | Land and buildings £ | Other Items £ |
| Operating leases which expire | | | | |
| Within 2 to 5 years | - | 3,016 | - | 6,474 |
| After more than 5 years | 59,000 | 3,458 | 59,000 | - |
| | <u>59,000</u> | <u>6,474</u> | <u>59,000</u> | <u>6,474</u> |

20. TRANSACTIONS WITH THE DIRECTORS

During the year Mr W Graham was paid a dividend of £71,400 (2012 £109,400) and Mrs S Graham was paid a dividend of £60,000 (2012 £22,000) in respect of their shareholdings. Mr P Wiltshire was paid a dividend of £109,400 (2012 £109,400) and Mrs M Wiltshire was paid a dividend of £22,000 (2012 £22,000) in respect of their shareholdings. Mr M Cobb was paid a dividend of £78,000 (2012 £78,000) and Mrs A Cobb was paid a dividend of £22,000 (2012 £22,000) in respect of their shareholdings. Mr A Hogarth was paid a dividend of £64,000 (2012 £64,000) in respect of his shareholding. Mr P Lambe was paid a dividend of £22,000 (2012 £22,000) in respect of his shareholding.

At the year end the company owed Mr M Venables £6,677 (2012 £1,327), Mr P Lambe £6,268 (2012 £Nil), Mr I Fitzgerald £6,015 (2012 £Nil), Mr W Graham £10,468 (2012 £177), Mr M Cobb £2,761 (2012 £146) and Mr P Wiltshire £Nil (2012 £218).

ALLOY WIRE INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

21. RELATED PARTY TRANSACTIONS

The directors consider that W Graham, M Cobb and Mrs M Wiltshire control the company at the year end

At the year end the company owed £2 (2012 £2) to Resistance Wires Limited and £100 (2012 £100) to Precision Shaped Wires Limited who are both related parties of the company

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

22. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2013 | | 2012 | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary Class A shares of £1 each | 181,400 | 181,400 | 181,400 | 181,400 |
| Ordinary Class B shares of £1 each | 93,149 | 93,149 | 93,149 | 93,149 |
| | <u>274,549</u> | <u>274,549</u> | <u>274,549</u> | <u>274,549</u> |

All shares rank pari pasu with regards to voting rights, dividends and capital in a winding up

23. RESERVES

| | Share premium account £ | Capital redemption reserve £ | Profit and loss account £ |
|-------------------------|-------------------------------|---------------------------------------|---------------------------------|
| Balance brought forward | 179,903 | 33,200 | 1,220,771 |
| Profit for the year | — | — | 1,948,298 |
| Equity dividends | — | — | (549,098) |
| Balance carried forward | <u>179,903</u> | <u>33,200</u> | <u>2,619,971</u> |

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2013 £ | 2012 £ |
|--|------------------|------------------|
| Profit for the financial year | 1,948,298 | 731,556 |
| Purchase of own ordinary shares | — | (10,200) |
| Premium on purchase of own ordinary shares | — | (43,758) |
| Equity dividends | <u>(549,098)</u> | <u>(549,098)</u> |
| | (549,098) | |
| Net addition to shareholders' funds | 1,399,200 | 128,500 |
| Opening shareholders' funds | <u>1,708,423</u> | <u>1,579,923</u> |
| Closing shareholders' funds | <u>3,107,623</u> | <u>1,708,423</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

25. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2013 | 2012 |
|---|------------------|----------------|
| | £ | £ |
| Operating profit | 2,483,525 | 956,364 |
| Amortisation | 15,000 | 15,000 |
| Depreciation | 72,967 | 57,653 |
| Loss/(Profit) on disposal of fixed assets | 45,179 | (16,970) |
| Decrease/(increase) in stocks | 145,038 | (301,250) |
| (Increase)/decrease in debtors | (445,757) | 345,643 |
| Decrease in creditors | (420,445) | (131,136) |
| Movement in provision for loss on operations to be discontinued | — | 31,715 |
| Net cash inflow from operating activities | <u>1,895,507</u> | <u>957,019</u> |

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

| | 2013 | 2012 |
|--|----------------|--------------|
| | £ | £ |
| Interest received | 39 | 1,935 |
| Interest paid | (4,588) | 7,579 |
| Interest element of hire purchase and finance lease | — | (650) |
| Net cash (outflow)/inflow from returns on investments and servicing of finance | <u>(4,549)</u> | <u>8,864</u> |

TAXATION

| | 2013 | 2012 |
|----------|------------------|------------------|
| | £ | £ |
| Taxation | <u>(239,547)</u> | <u>(210,430)</u> |

CAPITAL EXPENDITURE

| | 2013 | 2012 |
|--|----------------|------------------|
| | £ | £ |
| Payments to acquire tangible fixed assets | (145,455) | (177,498) |
| Receipts from sale of fixed assets | <u>147,668</u> | <u>22,750</u> |
| Net cash inflow/(outflow) from capital expenditure | <u>2,213</u> | <u>(154,748)</u> |

ALLOY WIRE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

FINANCING

| | 2013 | 2012 |
|--|------------------|-----------------|
| | £ | £ |
| Purchase of own equity shares | – | (10,200) |
| Premium on purchase of own equity shares | – | (43,758) |
| Repayment of bank loans | (156,639) | (34,611) |
| Net outflow from other short-term creditors | – | (4,675) |
| Capital element of hire purchase and finance lease | – | (3,570) |
| Net cash outflow from financing | <u>(156,639)</u> | <u>(96,814)</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2013 | 2012 |
|--|------------------|----------------|
| | £ | £ |
| Increase/(decrease) in cash in the period | 947,887 | (45,207) |
| Net cash outflow from bank loans | 156,639 | 34,611 |
| Net outflow from other short-term creditors | – | 4,675 |
| Cash outflow in respect of hire purchase and finance lease | – | 3,570 |
| | <u>1,104,526</u> | <u>(2,351)</u> |
| Change in net funds | 1,104,526 | (2,351) |
| Net funds at 1 April 2012 | 767,228 | 769,579 |
| Net funds at 31 March 2013 | <u>1,871,754</u> | <u>767,228</u> |

ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 Apr 2012 | Cash flows | At 31 Mar 2013 |
|--------------------------|------------------|------------------|-------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash in hand and at bank | 923,867 | 947,887 | 1,871,754 |
| Debt | | | |
| Debt due within 1 year | (38,250) | 38,250 | – |
| Debt due after 1 year | (118,389) | 118,389 | – |
| | <u>(156,639)</u> | <u>156,639</u> | <u>–</u> |
| Net funds | <u>767,228</u> | <u>1,104,526</u> | <u>1,871,754</u> |