

COMPANY REGISTRATION NUMBER: 03722788

Alloy Wire International Limited

Financial Statements

31 March 2022

Alloy Wire International Limited

Financial Statements

Year ended 31 March 2022

Contents	Pages
Officers and professional advisers	1
Strategic report	2
Directors' report	3 to 5
Independent auditor's report to the members	6 to 9
Statement of income and retained earnings	10
Statement of financial position	11 to 12
Notes to the financial statements	13 to 23

Alloy Wire International Limited

Officers and Professional Advisers

The board of directors

Mr M Venables

Mr A W Hogarth

Mr A Shaw

Mr T Mander

Mr A Du Plessis

Registered office

5a 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

Strategic Report

Year ended 31 March 2022

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 success of the business and the trading results achieved in the year and are satisfied with the overall position of the company at the year end. Turnover has increased by £3,687,641 on the prior year due mainly to the market recovery following the downturn in the prior year caused by the Covid-19 epidemic. The company has continued to trade with existing customers during the year. The directors measure the business's financial performance against certain key performance indicators (KPIs). These KPIs include sales levels, gross margins and added value, which are measured against break even levels, are deemed to be acceptable. Gross profit margin for 2022 was 59.61% (2021: 59.34%). The directors are satisfied with the results achieved in the year in comparison to prior periods. The company has continued to pursue new research and development opportunities by capitalising on their extensive knowledge of the industry as a way of entering into potential new markets. There are currently no risks or uncertainties facing the company. Going forward the directors are confident that the company will be able to trade at the same capacity as it has done in recent years and will continue to be profitable. The company will strive towards maintaining productivity levels and efficiency of its operations to produce orders to the highest quality.

This report was approved by the board of directors on 30 September 2022 and signed on behalf of the board by:

Mr M Venables

Director

Registered office:

5a Narrowboat Way

Hurst Business Park

Brierley Hill

West Midlands

DY5 1UF

Alloy Wire International Limited

Directors' Report

Year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022 .

Directors

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

Mr M Venables

Mr A W Hogarth

Mr I Fitzgerald

Mr A Shaw

Mr T Mander

Mr A Du Plessis

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Future developments

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

Employment of disabled persons

The company is an equal opportunities employer and believes that everyone should have full and fair consideration for all vacancies, promotions, training and development. Should an employee become disabled during their employment at Alloy Wire International Limited, where possible, the company will actively retrain and adjust the environment to allow them to maximise the employee's potential.

Brexit

The impact of Brexit has been considered generally by the company. The initial Brexit talks 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.

Research and development

The company has carried out research and development activities in the year and will submit a claim for research and development tax credits.

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. There is no exchange rate hedging in place for the company for the year ended 31 March 2022.

Disclosure of information in the strategic report

The strategic report is detailed on page 2 of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have 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.

This report was approved by the board of directors on 30 September 2022 and signed on behalf of the board by:

Mr M Venables

Director

Registered office:

5a Narrowboat Way

Hurst Business Park

Brierley Hill

West Midlands

DY5 1UF

Alloy Wire International Limited

Independent Auditor's Report to the Members of Alloy Wire International Limited

Year ended 31 March 2022

Opinion

We have audited the financial statements of Alloy Wire International Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position 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 FRS 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 company's affairs as at 31 March 2022 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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: We have reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.

Rachel Bignell ACA ACCA

(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

30 September 2022

Alloy Wire International Limited

Statement of Income and Retained Earnings

Year ended 31 March 2022

		2022	2021
	Note	£	£
Turnover	4	12,875,655	9,188,014
Cost of sales		<u>5,200,488</u>	<u>3,735,929</u>
Gross profit		7,675,167	5,452,085
Distribution costs		<u>576,575</u>	<u>360,682</u>
Administrative expenses		<u>3,765,274</u>	<u>2,821,751</u>
Other operating income	5	<u>—</u>	<u>8,376</u>
Operating profit	6	3,333,318	2,278,028
Interest receivable	10	<u>(216)</u>	<u>839</u>
Profit before taxation		3,333,102	2,278,867
Taxation on ordinary activities	11	<u>319,939</u>	<u>218,213</u>
Profit for the financial year and total comprehensive income		3,013,163	2,060,654
Dividends paid and payable	12	<u>(6,304,458)</u>	<u>(600,000)</u>
Retained earnings at the start of the year		10,022,589	8,561,935
Retained earnings at the end of the year		6,731,294	10,022,589

All the activities of the company are from continuing operations.

Alloy Wire International Limited

Statement of Financial Position

31 March 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	14	1,016,553	1,009,568
Investments	15	200	200
		<u>1,016,753</u>	<u>1,009,768</u>
Current assets			
Stocks	16	2,296,990	1,784,691
Debtors	17	2,271,681	6,393,622
Cash at bank and in hand		4,412,420	4,022,395
		<u>8,981,091</u>	<u>12,200,708</u>
Creditors: amounts falling due within one year	18	2,697,884	2,607,614
		<u>6,283,207</u>	<u>9,593,094</u>
Net current assets			
Total assets less current liabilities		7,299,960	10,602,862
Provisions			
Taxation including deferred tax	19	81,014	92,621
		<u>7,218,946</u>	<u>10,510,241</u>
Net assets			

Alloy Wire International Limited
Statement of Financial Position *(continued)*

31 March 2022

		2022	2021
	Note	£	£
Capital and reserves			
Called up share capital	23	274,549	274,549
Share premium account	24	179,903	179,903
Capital redemption reserve	24	33,200	33,200
Profit and loss account	24	6,731,294	10,022,589
		-----	-----
Shareholders funds		7,218,946	10,510,241
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 30 September 2022 , and are signed on behalf of the board by:

Mr M Venables

Director

Company registration number: 03722788

Alloy Wire International Limited

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5a Narrowboat Way, Hurst Business Park, Brierley Hill, West Midlands, DY5 1UF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Alloy Wire Holdings Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: No cash flow statement has been presented for the company. No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

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.

Income tax

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

Foreign currency transactions are initially recorded in the functional currency, by applying a fixed budget exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. The transactions are then retranslated at the prevailing exchange rate at the year end.

Amortisation

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

Goodwill - 20 years straight Line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Freehold property	-	No depreciation charged
Leasehold property improvement	-	20% straight line
Plant and 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.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a lowest cost price for the outstanding stock 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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Research and development

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

Financial instruments

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

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

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	12,875,655	9,188,014

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022	2021
	£	£
United Kingdom	5,324,894	3,594,343
Europe	4,377,576	3,649,474
Asia	623,721	508,581
America	2,331,951	1,246,514
Australasia	144,199	123,046
Africa	15,499	5,665
Middle East	57,815	60,391
	12,875,655	9,188,014

5. Other operating income

	2022	2021
	£	£
Government grant income	—	8,376

Other operating income received relates to monies received as part of the job retention scheme.

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	153,120	141,737
Gains on disposal of tangible assets	(1,142)	(2,464)
Impairment of trade debtors	2,180	2,796
Foreign exchange differences	191,160	(17,729)
Operating lease rental	103,630	103,630

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	6,023	5,500
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	7,008	6,400
Taxation advisory services	9,527	8,700
Other non-audit services	9,239	5,073
	25,774	20,173

8. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Production staff	19	18
Administrative staff	14	12
	33	30

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	3,779,927	2,751,666
Social security costs	486,098	349,304
Other pension costs	77,071	71,953
	4,343,096	3,172,923

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	1,770,233	1,252,970
Company contributions to defined contribution pension plans	28,056	19,845
	1,798,289	1,272,815

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

	2022	2021
	No.	No.
Defined contribution plans	6	6

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	353,632	358,679
Company contributions to defined contribution pension plans	8,490	7,032
	362,122	365,711

10. Interest receivable

2022	2021
------	------

	£	£
Interest on cash and cash equivalents	(216)	839
	----	----

11. Taxation on ordinary activities

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	331,993	219,681
Adjustments in respect of prior periods	(447)	(18,209)
	-----	-----
Total current tax	331,546	201,472
	-----	-----
Deferred tax:		
Origination and reversal of timing differences	(11,607)	16,741
	-----	-----
Taxation on ordinary activities	319,939	218,213
	-----	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	3,333,102	2,278,867
	-----	-----
Profit on ordinary activities by rate of tax	633,289	432,985
Adjustment to tax charge in respect of prior periods	(447)	(18,209)
Effect of expenses not deductible for tax purposes	(278)	6,471
Research and development claims	(312,625)	(203,034)
	-----	-----
Tax on profit	319,939	218,213
	-----	-----

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022	2021
	£	£
Dividends on equity shares	6,304,458	600,000
	-----	-----

13. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2021 and 31 March 2022	300,000

Amortisation	
At 1 April 2021 and 31 March 2022	300,000

Carrying amount	
At 31 March 2022	—

At 31 March 2021	—

14. Tangible assets

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2021	272,084	303,088	1,626,654	49,583	2,251,409
Additions	—	84,643	75,462	—	160,105
Disposals	—	—	(23,125)	—	(23,125)
	-----	-----	-----	-----	-----
At 31 March 2022	272,084	387,731	1,678,991	49,583	2,388,389
	-----	-----	-----	-----	-----
Depreciation					
At 1 April 2021	1,584	93,685	1,131,069	15,503	1,241,841
Charge for the year	528	35,857	108,215	8,520	153,120
Disposals	—	—	(23,125)	—	(23,125)
	-----	-----	-----	-----	-----
At 31 March 2022	2,112	129,542	1,216,159	24,023	1,371,836
	-----	-----	-----	-----	-----
Carrying amount					
At 31 March 2022	269,972	258,189	462,832	25,560	1,016,553
	-----	-----	-----	-----	-----
At 31 March 2021	270,500	209,403	495,585	34,080	1,009,568
	-----	-----	-----	-----	-----

15. Investments

	Shares in group undertakings £
Cost	
At 1 April 2021 and 31 March 2022	70,100

Impairment	
At 1 April 2021 and 31 March 2022	69,900

Carrying amount	
At 31 March 2022	200

At 31 March 2021	200

The company owns 100% of the issued share capital of Resistance Wires Limited in which it holds 100 £1 ordinary shares. The company owns 100% of the issued share capital of 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;

Aggregate capital and reserves

	2022	2021
	£	£
Resistance Wires Limited (dormant)	100	100
Precision Shaped Wires Limited (dormant)	100	100
Profit and (loss) for the year	2022	2021
	£	£

Resistance Wires Limited (dormant) - -

Precision Shaped Wires Limited (dormant) - -

Precision Shaped Wires Limited and Resistance Wires Limited are both registered in England & Wales. Both companies were dormant for the year ended 31 March 2022.

16. Stocks

	2022	2021
	£	£
Raw materials	2,296,990	1,784,691

17. Debtors

	2022	2021
	£	£
Trade debtors	1,702,609	1,598,076
Amounts owed by group undertakings	—	4,704,458
Prepayments and accrued income	568,645	91,088
Other debtors	427	—
	2,271,681	6,393,622

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	671,850	978,122
Amounts owed to group undertakings	200	200
Accruals and deferred income	1,573,404	1,323,407
Corporation tax	210,693	145,053
Social security and other taxes	241,737	144,176
Director loan accounts	—	14,847
Other creditors	—	1,809
	2,697,884	2,607,614

There is an unlimited multilateral guarantee in place between the company and its parent Alloy Wire Holdings Limited.

19. Provisions

	Deferred tax (note 20) £
At 1 April 2021	92,621
Additions	(11,607)
At 31 March 2022	81,014

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £	2021 £
Included in provisions (note 19)	81,014	92,621

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £	2021 £
Accelerated capital allowances	81,014	92,621

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 77,071 (2021: £ 71,953).

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	—	8,376

23. Called up share capital

Issued, called up and fully paid

	2022		2021	
	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
	274,549	274,549	274,549	274,549

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

24. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company. Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	83,380	88,443
Later than 1 year and not later than 5 years	324,225	326,760
Later than 5 years	120,000	200,000
	-----	-----
	527,605	615,203
	-----	-----

26. Directors' advances, credits and guarantees

At the year end the company owed Mr M Venables £Nil (2021: £8,754) and Mr I Fitzgerald £Nil (2021: £6,093).

27. Related party transactions

Under FRS 102 the company is exempt from disclosing transactions with fellow group companies on the basis that consolidated accounts are prepared which are publicly available.

28. Controlling party

The company was under the control of Mr M. Venables, Mr A. Hogarth and Mr I. Fitzgerald in the current and previous year. The ultimate parent company is Alloy Wire Holdings Limited, a company registered in England and Wales.

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