

Company registration number 09127578 (England and Wales)

MTF HOLDING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

MTF HOLDING LIMITED

COMPANY INFORMATION

Directors	Mr S J Preedy Mr L C Barnes Mr A Birbeck Mr P M Preedy	(Appointed 1 June 2022)
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Company number	09127578
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Registered office	c/o CKCA Limited No.4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
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Auditor	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford OX2 7DY
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MTF HOLDING LIMITED

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MTF HOLDING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

The directors present the strategic report for the year ended 31 October 2022.

Fair review of the business

During the year group turnover has increased from £46.7m to £59.0m, an increase of 26.2%. The increase is attributable to fluctuations in the level of activity in international petrochemical projects which are predominantly driven by oil prices.

At the same time, due to general price and currency fluctuations gross margin has increased from 31.7% to 34.8%.

Overall, the group has achieved an operating profit of £4.7m compared to £1.4m in the previous year.

In the 2023 financial year the group has continued to trade profitably.

The directors believe that the group's strong liquidity will enable it to take advantage of trading opportunities as the market improves and as the group continues to look for growth opportunities, both organic and by acquisition of suitable target companies. The policy of maintaining strong liquidity has also enabled the group to participate in a number of global contracts with major multinationals, which has resulted in significant export sales, which would not otherwise have been achieved. It has also enabled the group to continue its policy of continual investment in fixed assets and stock ranges.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of key risks. The key business risks and uncertainties affecting the group are considered to relate to the strong competition within the field, resulting in pressure on margins, and currency fluctuations. Risks are reviewed by the directors and appropriate processes are put in place to monitor and mitigate them.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using other KPI's is not necessary for an understanding of the development, performance or position of the business. The group's activities are closely monitored by the directors with the assistance of monthly internal management accounts and supporting reports.

MTF HOLDING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Promoting the success of the group

The directors are aware of the need to act in the best interests of the group when making strategic and operational decisions.

The likely consequences of any decision in the long term

The Directors understand the business and the evolving environment in which it operates and the strategy set by the Board is intended to strengthen the group's position as a leading supplier in its markets while keeping safety and social responsibility fundamental to its business approach.

The interests of the group's employees

The Directors recognise that employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

The need to foster the group's business relationships with suppliers, customers and others

Delivering our strategy requires strong mutually beneficial relationships with suppliers and customers.

Externally, the group has strong relationships with a number of key suppliers, many of these relationships have been in place for ten years or more. Regular communications take place with these suppliers to ensure that relationships are optimised.

We communicate with our customers in many ways and channel feedback via line management. Regular meetings are held between executive directors, senior employees and managers and our major customers, again to ensure that relationships are optimised.

The impact of the group's operations on the community and the environment

We are aware of our impact on the environment which is reviewed and referred to in our carbon reporting statement on page 5.

The desirability of the group maintaining a reputation for high standards of business conduct

The Board periodically reviews and approves clear frameworks, such as its Modern Slavery Statement, to ensure that its high standards are maintained both within the businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken in ways that promote high standards of business conduct.

The need to act fairly as between members of the group

After considering all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Group's members but are not required to balance the Group's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

MTF HOLDING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

On behalf of the board

Mr L C Barnes
Director

31 July 2023

MTF HOLDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2022

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

Principal activities

The principal activity of the company continued to be that of a holding company and group activities continued to be those of manufacturing, processing and factoring tube fittings and the manufacture and merchanting of threaded fasteners and turned parts.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £2,463,725. The directors do not recommend payment of a further dividend.

Preference dividends were paid amounting to £83,400. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S J Preedy

Mr L C Barnes

Mr A Birbeck

Mr P M Preedy

(Appointed 1 June 2022)

Auditor

In accordance with the company's articles, a resolution proposing that Shaw Gibbs (Audit) Limited be reappointed as auditor of the group will be put at a General Meeting.

MTF HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Energy and carbon report

Statement Of Carbon Emissions

Statement of carbon emissions compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR), 21 January 2021 covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and energy efficiency actions.

	2022	2021
Total electricity use	446,351 kWh	437,499 kWh
Total gas use	817,141 kWh	1,128,920 kWh
Total transport fuel	146,568 kWh	93,693 kWh
Total energy from other fuels	6,198 kWh	42,355 kWh
Total energy use (all sources)	1,416,259 kWh	1,702,466 kWh
Total carbon emissions (electricity)	130 tCO ₂ e	127 tCO ₂ e
Total carbon emissions (gas)	175 tCO ₂ e	242 tCO ₂ e
Total carbon emissions (transport fuel)	38 tCO ₂ e	23 tCO ₂ e
Total carbon emissions (other sources)	2 tCO ₂ e	10 tCO ₂ e
Total carbon emissions	345 tCO ₂ e	403 tCO ₂ e
Total estate size	174,498 sqft	144,250 sqft
Carbon intensity ratio	1.98 kgCO ₂ e per sqft	2.79 kgCO ₂ e per sqft

WTT accounts for the upstream emissions associated with extraction, refining and transportation of raw fuel sources prior to combustion (gas, fuel) or for use in the generation of electricity.

T&D accounts for the emissions associated through grid energy loss which occurs in getting the electricity from the powerplant to your sites.

MTF HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

Carbon And Energy Efficiency Actions

We are committed to responsible carbon management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- When appropriate the group is replacing vehicles with smaller more energy efficient models, similarly boilers and upgrading to energy efficient lighting.
- Implemented and encouraged use of video conferencing.
- Improved monthly reporting of energy consumption by site

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency, 21.01.21) used in conjunction with Government GHG reporting conversion factors.

For carbon only related matters, the SECR methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" was used in conjunction with Government GHG reporting conversion factors.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SEC

Statement of directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

MTF HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

On behalf of the board

Mr L C Barnes
Director

31 July 2023

MTF HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MTF HOLDING LIMITED

Opinion

We have audited the financial statements of MTF Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 October 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent 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 group's and 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

MTF HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MTF HOLDING LIMITED

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 their 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 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, 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 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 parent 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.

MTF HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MTF HOLDING LIMITED

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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.

1. At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how the management seek to comply with those laws' regulations. This helps us to plan appropriate risk assessments.
2. During the audit we focus on relevant risk areas and review the compliance with the laws and regulations by making relevant enquiries and undertaking corroboration, for example by reviewing Board Minutes and other documentation.
3. We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - a. Reviewing the controls set in place by management;
 - b. Making enquiries of management as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
 - c. Challenging management assumptions with regard to accounting estimates;
 - d. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

**Mr Stephen Howard Neal (Senior Statutory Auditor)
For and on behalf of Shaw Gibbs (Audit) Limited**

31 July 2023

**Chartered Certified Accountants
Statutory Auditor**

264 Banbury Road
Oxford
OX2 7DY

MTF HOLDING LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	2021 £
Turnover	3	58,992,246	46,744,344
Cost of sales		(38,441,368)	(31,941,623)
Gross profit		20,550,878	14,802,721
Administrative expenses		(15,873,525)	(13,412,646)
Operating profit	4	4,677,353	1,390,075
Interest receivable and similar income	8	109,039	14,649
Interest payable and similar expenses	9	(7,610)	(3,224)
(Losses)Gains on investments	10	(1,351,601)	1,856,922
Profit before taxation		3,427,181	3,258,422
Tax on profit	11	(905,218)	(935,445)
Profit for the financial year		2,521,963	2,322,977

Profit for the financial year is all attributable to the owners of the parent company.

MTF HOLDING LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2022

	2022 £	2021 £
Profit for the year	2,521,963	2,322,977
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,521,963</u>	<u>2,322,977</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

MTF HOLDING LIMITED

GROUP BALANCE SHEET

AS AT 31 OCTOBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	13		832,392		1,059,408
Tangible assets	14		15,771,151		15,020,556
			<u>16,603,543</u>		<u>16,079,964</u>
Current assets					
Stocks	18	20,301,371		13,092,767	
Debtors	19	15,415,377		13,482,664	
Investments	20	10,910,267		12,261,868	
Cash at bank and in hand		20,164,139		24,160,527	
		<u>66,791,154</u>		<u>62,997,826</u>	
Creditors: amounts falling due within one year	21	<u>(8,027,729)</u>		<u>(3,915,553)</u>	
Net current assets			<u>58,763,425</u>		<u>59,082,273</u>
Total assets less current liabilities			<u>75,366,968</u>		<u>75,162,237</u>
Creditors: amounts falling due after more than one year	22		(1,390,000)		(1,390,000)
Provisions for liabilities					
Deferred tax liability	24	816,272		586,379	
		<u>(816,272)</u>		<u>(586,379)</u>	
Net assets			<u><u>73,160,696</u></u>		<u><u>73,185,858</u></u>
Capital and reserves					
Called up share capital	26		108,918		108,918
Other reserves			69,292,913		69,292,913
Profit and loss reserves			3,758,865		3,784,027
Total equity			<u><u>73,160,696</u></u>		<u><u>73,185,858</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31 July 2023 and are signed on its behalf by:

Mr L C Barnes
Director

Company registration number 09127578 (England and Wales)

MTF HOLDING LIMITED

COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	1,283,999		1,300,536	
Investments	15	10,761,145		10,761,145	
		<u>12,045,144</u>		<u>12,061,681</u>	
Current assets					
Debtors	19	97,027		91,458	
Investments	20	5,511,005		6,193,884	
Cash at bank and in hand		4,164,994		4,386,370	
		<u>9,773,026</u>		<u>10,671,712</u>	
Creditors: amounts falling due within one year	21	<u>(4,643,995)</u>		<u>(5,557,821)</u>	
Net current assets		<u>5,129,031</u>		<u>5,113,891</u>	
Total assets less current liabilities		<u>17,174,175</u>		<u>17,175,572</u>	
Creditors: amounts falling due after more than one year	22	<u>(1,390,000)</u>		<u>(1,390,000)</u>	
Net assets		<u><u>15,784,175</u></u>		<u><u>15,785,572</u></u>	
Capital and reserves					
Called up share capital	26	108,918		108,918	
Profit and loss reserves		15,675,257		15,676,654	
Total equity		<u><u>15,784,175</u></u>		<u><u>15,785,572</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,545,728 (2021 - £672,182 profit).

The financial statements were approved by the board of directors and authorised for issue on 31 July 2023 and are signed on its behalf by:

Mr L C Barnes
Director

Company Registration No. 09127578

MTF HOLDING LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2022

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 November 2020		108,918	69,292,913	3,544,185	72,946,016
Year ended 31 October 2021:					
Profit and total comprehensive income for the year		-	-	2,322,977	2,322,977
Dividends	12	-	-	(2,083,135)	(2,083,135)
Balance at 31 October 2021		108,918	69,292,913	3,784,027	73,185,858
Year ended 31 October 2022:					
Profit and total comprehensive income for the year		-	-	2,521,963	2,521,963
Dividends	12	-	-	(2,547,125)	(2,547,125)
Balance at 31 October 2022		108,918	69,292,913	3,758,865	73,160,696

MTF HOLDING LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 November 2020		108,918	17,087,606	17,196,524
Year ended 31 October 2021:				
Profit and total comprehensive income for the year		-	672,183	672,183
Dividends	12	-	(2,083,135)	(2,083,135)
Balance at 31 October 2021		108,918	15,676,654	15,785,572
Year ended 31 October 2022:				
Profit and total comprehensive income for the year		-	2,545,728	2,545,728
Dividends	12	-	(2,547,125)	(2,547,125)
Balance at 31 October 2022		108,918	15,675,257	15,784,175

MTF HOLDING LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	1,475,486	5,540,041
Interest paid		(7,610)	(3,224)
Income taxes paid		(981,646)	(581,695)
Net cash inflow from operating activities		486,230	4,955,122
Investing activities			
Purchase of tangible fixed assets		(2,052,033)	(1,930,328)
Proceeds from disposal of tangible fixed assets		7,501	20,541
Proceeds from disposal of investments		-	20,162
(Loss)Gain on fair value of investments		(1,351,601)	1,836,760
Interest received		109,039	14,649
Net cash used in investing activities		(3,287,094)	(38,216)
Financing activities			
Dividends paid to equity shareholders		(2,547,125)	(2,083,135)
Net cash used in financing activities		(2,547,125)	(2,083,135)
Net (decrease)/increase in cash and cash equivalents		(5,347,989)	2,833,771
Cash and cash equivalents at beginning of year		36,422,395	33,588,624
Cash and cash equivalents at end of year		31,074,406	36,422,395
Relating to:			
Cash at bank and in hand		20,164,139	24,160,527
Short term deposits included in current asset investments		10,910,267	12,261,868

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

Company information

MTF Holding Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is c/o CKCA Limited, No.4 Castle Court 2, Castlegate Way, Dudley, West Midlands, DY1 4RH.

The group consists of MTF Holding Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include current asset investments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Business combinations

During the 2016 financial period, there was a group reconstruction which did not result in any change in the ultimate ownership of the group and in respect of which merger accounting has been applied.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company MTF Holding Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 October 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

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

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

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.8 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Leasehold land and buildings	straight line over the term of the lease
Plant and equipment	15%-25% reducing balance/10%-33% straight line

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

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.10 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

1.11 Stocks

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

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

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

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

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

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

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

1.19 Foreign exchange

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

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

Inventories are valued at the lower of cost and estimated selling price less costs to complete and sell. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

Bad debt provision

A bad debt provision is set up when the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of the amounts due being fully recovered.

Useful economic life of non current assets

The useful economic lives of non-current assets have been derived from the judgement of the Directors, using their best estimate of write-down period.

3 Turnover and other revenue

	2022	2021
	£	£
Other revenue		
Interest income	109,039	14,649

No further analysis of turnover is provided as the directors believe that this may be prejudicial to the best interests of the group.

All turnover relates to the sale of goods.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(781,712)	537,381
Depreciation of owned tangible fixed assets	1,279,084	1,102,911
Loss/(profit) on disposal of tangible fixed assets	14,853	(17,488)
Amortisation of intangible assets	227,016	227,016
Operating lease charges	686,428	611,531
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,500	5,000
Audit of the financial statements of the company's subsidiaries	95,000	92,000
	<u> </u>	<u> </u>
	100,500	97,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Sales	51	51	-	-
Administration	54	60	-	-
Works	103	107	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	208	218	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	8,373,094	7,461,538	-	-
Social security costs	715,084	635,767	-	-
Pension costs	259,375	116,117	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	9,347,553	8,213,422	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	345,055	240,619
Company pension contributions to defined contribution schemes	1,321	-
	<u>346,376</u>	<u>240,619</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	203,874	194,436
	<u>203,874</u>	<u>194,436</u>

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	109,039	14,649
	<u>109,039</u>	<u>14,649</u>

	2022 £	2021 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	109,039	14,649
	<u>109,039</u>	<u>14,649</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7,610	3,224
	<u>7,610</u>	<u>3,224</u>

10 Gains(losses) on investments

	2022 £	2021 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(1,351,601)	1,836,760
Other gains/(losses)		
Other gains and losses	-	20,162
	<u>(1,351,601)</u>	<u>1,856,922</u>

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

11 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	675,325	639,598
Deferred tax		
Origination and reversal of timing differences	229,893	295,847
Total tax charge	905,218	935,445

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	3,427,181	3,258,422
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	651,164	619,100
Tax effect of expenses that are not deductible in determining taxable profit	164,496	86,600
Permanent capital allowances in excess of depreciation	(93,621)	(29,486)
Depreciation on assets not qualifying for tax allowances	128,005	118,501
Adjustment to deferred tax in respect of anticipated rate change	55,174	140,730
Taxation charge	905,218	935,445

12 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	2,547,125	2,083,135

13 Intangible fixed assets

Group	Goodwill £	Patents & licences £	Total £
Cost			
At 1 November 2021 and 31 October 2022	2,270,160	44,000	2,314,160
Amortisation and impairment			
At 1 November 2021	1,210,752	44,000	1,254,752
Amortisation charged for the year	227,016	-	227,016
At 31 October 2022	1,437,768	44,000	1,481,768

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

13 Intangible fixed assets (Continued)

Carrying amount			
At 31 October 2022	832,392	-	832,392
At 31 October 2021	1,059,408	-	1,059,408

The company had no intangible fixed assets at 31 October 2022 or 31 October 2021.

14 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Total
	£	£	£	£
Cost				
At 1 November 2021	10,562,635	5,036,387	10,209,098	25,808,120
Additions	-	372,337	1,679,696	2,052,033
Disposals	-	(85,605)	(429,463)	(515,068)
At 31 October 2022	10,562,635	5,323,119	11,459,331	27,345,085
Depreciation and impairment				
At 1 November 2021	2,784,344	1,256,501	6,746,719	10,787,564
Depreciation charged in the year	190,497	249,726	838,861	1,279,084
Eliminated in respect of disposals	-	(79,134)	(413,580)	(492,714)
At 31 October 2022	2,974,841	1,427,093	7,172,000	11,573,934
Carrying amount				
At 31 October 2022	7,587,794	3,896,026	4,287,331	15,771,151
At 31 October 2021	7,778,291	3,779,886	3,462,379	15,020,556

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

14 Tangible fixed assets (Continued)

Company	Freehold land and buildings £
Cost	
At 1 November 2021 and 31 October 2022	1,378,077
Depreciation and impairment	
At 1 November 2021	77,541
Depreciation charged in the year	16,537
At 31 October 2022	94,078
Carrying amount	
At 31 October 2022	1,283,999
At 31 October 2021	1,300,536

15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	16	-	-	10,761,145	10,761,145
Movements in fixed asset investments					
Company					Shares in subsidiaries £
Cost or valuation					
At 1 November 2021 and 31 October 2022					12,161,145
Impairment					
At 1 November 2021 and 31 October 2022					1,400,000
Carrying amount					
At 31 October 2022					10,761,145
At 31 October 2021					10,761,145

16 Subsidiaries

Details of the company's subsidiaries at 31 October 2022 are as follows:

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

16 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Eagle Tube and Flanges Limited	Scotland	Stockists and suppliers of steel tubes, fittings and flanges	Ordinary	100.00	-
High Pressure Fittings Limited	England	Non trading	Ordinary	100.00	-
Marla (Alcester) Limited	England	Dormant	Ordinary	-	100.00
Marla Tube Fittings Limited	England	Factoring tube and tube fittings	Ordinary	100.00	-
Pressure Fittings Limited	England	Dormant	Ordinary	-	100.00
Promat (BD) Tianjin Limited	China	Manufacture of flangelets and associated products	Ordinary	100.00	-
Promat BD (Tianjin) Trading Limited	China	Manufacture of flangelets and associated products	Ordinary	-	100.00
Promat BD Limited	Scotland	Manufacturing flangelets and associated products	Ordinary	100.00	-
Steadfast Engineering Company Limited	England	Manufacture and merchanting of threaded fasteners and turned parts	Ordinary	100.00	-
Steadfast Scotland Limited	Scotland	Manufacture and merchanting of threaded fasteners and turned parts	Ordinary	100.00	-

17 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	44,383,955	48,102,401	n/a	n/a
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	7,437,270	3,004,675	n/a	n/a

As permitted by the reduced disclosure framework within FRS102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by the 'n/a' above.

18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	20,301,371	13,092,767	-	-

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

19 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	12,713,863	11,112,875	-	-
Amounts owed by group undertakings	-	-	91,458	91,458
Other debtors	595,686	567,131	-	-
Prepayments and accrued income	2,105,828	1,802,658	5,569	-
	<u>15,415,377</u>	<u>13,482,664</u>	<u>97,027</u>	<u>91,458</u>

20 Current asset investments

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Listed investments	8,207,815	9,881,930	4,145,383	4,990,701
Unlisted investments	1,679,806	1,792,367	848,332	905,084
Short term deposits	1,022,646	587,571	517,290	298,099
	<u>10,910,267</u>	<u>12,261,868</u>	<u>5,511,005</u>	<u>6,193,884</u>

21 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	5,042,618	1,783,846	-	-
Amounts owed to group undertakings	-	-	4,643,995	5,396,270
Corporation tax payable	67,044	373,365	-	161,551
Other taxation and social security	523,415	537,513	-	-
Other creditors	623,055	541,352	-	-
Accruals and deferred income	1,771,597	679,477	-	-
	<u>8,027,729</u>	<u>3,915,553</u>	<u>4,643,995</u>	<u>5,557,821</u>

22 Creditors: amounts falling due after more than one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Other borrowings	23	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,390,000</u>	<u>1,390,000</u>

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

23 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Preference shares	1,390,000	1,390,000	1,390,000	1,390,000
Payable after one year	1,390,000	1,390,000	1,390,000	1,390,000

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	850,838	586,379
Other items	(34,566)	-
	816,272	586,379

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 November 2021	586,379	-
Charge to profit or loss	229,893	-
Liability at 31 October 2022	816,272	-

25 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	259,375	116,117

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

26 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	108,918	108,918	108,918	108,918
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2022	2021	2022	2021
Preference share capital	Number	Number	£	£
Issued and fully paid				
Preference shares of £1 each	1,390,000	1,390,000	1,390,000	1,390,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as liabilities			1,390,000	1,390,000
			<u> </u>	<u> </u>

The preference shares carry a cumulative annual dividend entitlement of 6% and are redeemable by the company giving not less than 14 days notice. There is no current intention that notice will be served for the foreseeable future.

27 Operating lease commitments

Lessee

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

	Group	2021	Company	2021
	2022		2022	
	£	£	£	£
Within one year	287,682	453,969	-	-
Between two and five years	1,265,579	702,469	-	-
In over five years	3,772,626	1,609,359	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	5,325,887	2,765,797	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

28 Events after the reporting date

Since the balance sheet date the company has declared dividends of £2,099,939. .

29 Related party transactions

Transactions with related parties

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

29 Related party transactions

(Continued)

During the year, the group paid consultancy and accountancy fees of £16,338 (2021 £64,077) to CKCA Limited, a firm of Chartered Accountants, a business in which L C Barnes (a director of the parent company) is a director.

Related party transactions with other group companies have not been disclosed as per FRS102 Section 33.1A.

No guarantees have been given or received.

30 Directors' transactions

Dividends totalling £1,806,592 (2021 - £1,466,358) were paid in the year in respect of shares held by the company's directors.

31 Controlling party

The ultimate controlling party is S J Preedy, a director of the company.

32 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,521,963	2,322,977
Adjustments for:		
Taxation charged	905,218	935,445
Finance costs	7,610	3,224
Investment income	(109,039)	(14,649)
Loss/(gain) on disposal of tangible fixed assets	14,853	(17,488)
Amortisation and impairment of intangible assets	227,016	227,016
Depreciation and impairment of tangible fixed assets	1,279,084	1,102,911
Other gains and losses	1,351,601	(1,856,922)
Movements in working capital:		
(Increase)/decrease in stocks	(7,208,604)	3,642,563
(Increase)/decrease in debtors	(1,932,713)	1,746,036
Increase/(decrease) in creditors	4,418,497	(2,551,072)
Cash generated from operations	1,475,486	5,540,041

MTF HOLDING LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

33 Analysis of changes in net funds - group

	1 November 2021 £	Cash flows £	31 October 2022 £
Cash and cash equivalents	36,422,395	(5,347,989)	31,074,406
Borrowings excluding overdrafts	(1,390,000)	-	(1,390,000)
	<u>35,032,395</u>	<u>(5,347,989)</u>	<u>29,684,406</u>

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.