

Allumette Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 March 2022

Fruition Accountants LLP
29 Wood Street
Stratford upon Avon
Warwickshire
CV37 6JG

Allumette Limited

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Allumette Limited

Company Information

Directors	Mr Angus Mackie Mr Adrian Field Mr Wayne Brett Mr John Park-Davies
Registered office	Yardley Brook Ind. Park Lea Ford Road Shard End Birmingham B33 9TX
Auditors	Fruition Accountants LLP 29 Wood Street Stratford upon Avon Warwickshire CV37 6JG

Allumette Limited

Strategic Report for the Year Ended 31 March 2022

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

Principal activity

The principal activity of the group is that of a holding company. The trading companies within the group provide powder coating services and the manufacture of louvres.

Fair review of the business

The business continues to grow in line with plans in terms of turnover and profitability.

The board meets regularly to review monthly performance against plan with the following key measures reported in the management accounts:

Turnover

Gross profit

Productive days

Review of wages and overtime costs

Review of profit and loss account

Review of balance sheet

Top ten customers

Health & safety requirements

Principal risks and uncertainties

The group's principal financial instruments comprise bank balances, bank loans and overdrafts, finance in the form of hire purchase contracts and trade creditors. The main purpose of these instruments is to finance the business' operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

The directors do not consider the financial risk exposure of the company to be material in assessing the financial position of the company and the directors objectives are to minimise financial risk wherever possible.

Approved and authorised by the Board on 2 August 2022 and signed on its behalf by:

.....
Mr Angus Mackie

Director

Allumette Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the for the year ended 31 March 2022.

Director of the group

The directors who held office during the year were as follows:

Mr Angus Mackie

Mr Adrian Field

Mr Wayne Brett

Mr John Park-Davies

Financial instruments

Objectives and policies

The directors do not consider the financial risk exposure of the company to be material in assessing the financial position of the company and the directors objectives are to minimise financial risk wherever possible.

Price risk, credit risk, liquidity risk and cash flow risk

The group's principal financial instruments comprise bank balances, bank loans and overdrafts, finance in the form of hire purchase contracts and trade creditors. The main purpose of these instruments is to finance the business' operations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 2 August 2022 and signed on its behalf by:

.....

Mr Angus Mackie
Director

Allumette Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of 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 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; and
- 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.

Allumette Limited

Independent Auditor's Report to the Members of Allumette Limited

Opinion

We have audited the financial statements of Allumette Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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; 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

Allumette Limited

Independent Auditor's Report to the Members of Allumette Limited

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

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

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:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give risk to material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our test included agreeing the financial statements disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel where considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

Allumette Limited

Independent Auditor's Report to the Members of Allumette Limited

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Michelle Vincent (Senior Statutory Auditor)
For and on behalf of Fruition Accountants LLP, Statutory Auditor
29 Wood Street
Stratford upon Avon
Warwickshire
CV37 6JG

2 August 2022

Allumette Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	12,886,381	10,725,690
Cost of sales		<u>(8,287,820)</u>	<u>(7,715,453)</u>
Gross profit		4,598,561	3,010,237
Distribution costs		(329,308)	(280,509)
Administrative expenses		(3,319,485)	(2,756,323)
Other operating income	<u>4</u>	-	284,678
Operating profit	<u>6</u>	<u>949,768</u>	<u>258,083</u>
Interest payable and similar expenses	<u>7</u>	<u>(539,487)</u>	<u>(773,927)</u>
		<u>(539,487)</u>	<u>(773,927)</u>
Profit/(loss) before tax		410,281	(515,844)
Taxation	<u>11</u>	<u>(157,334)</u>	<u>(14,678)</u>
Profit/(loss) for the financial year		<u><u>252,947</u></u>	<u><u>(530,522)</u></u>
Profit/(loss) attributable to:			
Owners of the company		<u><u>252,947</u></u>	<u><u>(530,522)</u></u>
EBITDA represents earnings before interest, tax, depreciation and amortisation.			
EBITDA		<u><u>1,718,119</u></u>	<u><u>1,041,526</u></u>

Allumette Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2022

	2022 £	2021 £
Profit/(loss) for the year	252,947	(530,522)
Surplus on property, plant and equipment revaluation	12,933	12,933
Deficit on revaluation of other assets	(12,933)	(12,933)
	-	-
Total comprehensive income for the year	252,947	(530,522)
Total comprehensive income attributable to:		
Owners of the company	252,947	(530,522)

Allumette Limited
(Registration number: 10509712)
Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>12</u>	2,603,952	3,131,688
Tangible assets	<u>13</u>	4,575,882	4,281,719
		<u>7,179,834</u>	<u>7,413,407</u>
Current assets			
Stocks	<u>15</u>	430,046	286,889
Debtors	<u>16</u>	2,574,999	1,911,592
Cash at bank and in hand		1,401,625	1,310,936
		<u>4,406,670</u>	<u>3,509,417</u>
Creditors: Amounts falling due within one year	<u>18</u>	(3,659,889)	(4,028,352)
Net current assets/(liabilities)		<u>746,781</u>	<u>(518,935)</u>
Total assets less current liabilities		7,926,615	6,894,472
Creditors: Amounts falling due after more than one year	<u>18</u>	(5,446,382)	(4,732,577)
Provisions for liabilities	<u>19</u>	(334,917)	(269,526)
Net assets		<u>2,145,316</u>	<u>1,892,369</u>
Capital and reserves			
Called up share capital	<u>21</u>	2,837,884	2,837,884
Revaluation reserve		289,785	302,718
Profit and loss account		(982,353)	(1,248,233)
Equity attributable to owners of the company		<u>2,145,316</u>	<u>1,892,369</u>
Shareholders' funds		<u>2,145,316</u>	<u>1,892,369</u>

Approved and authorised by the Board on 2 August 2022 and signed on its behalf by:

.....
Mr Angus Mackie
Director

Allumette Limited

(Registration number: 10509712) Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	<u>14</u>	10,142,424	10,142,424
Current assets			
Debtors	<u>16</u>	3,997	177,489
Cash at bank and in hand		<u>164,427</u>	<u>261,386</u>
		168,424	438,875
Creditors: Amounts falling due within one year	<u>18</u>	<u>(1,290,736)</u>	<u>(2,253,493)</u>
Net current liabilities		<u>(1,122,312)</u>	<u>(1,814,618)</u>
Total assets less current liabilities		9,020,112	8,327,806
Creditors: Amounts falling due after more than one year	<u>18</u>	<u>(4,988,758)</u>	<u>(4,515,925)</u>
Net assets		<u>4,031,354</u>	<u>3,811,881</u>
Capital and reserves			
Called up share capital	<u>21</u>	2,837,884	2,837,884
Profit and loss account		<u>1,193,470</u>	<u>973,997</u>
Shareholders' funds		<u>4,031,354</u>	<u>3,811,881</u>

The company made a profit after tax for the financial year of £219,473 (2021 - profit of £49,390).

Approved and authorised by the Board on 2 August 2022 and signed on its behalf by:

.....
Mr Angus Mackie
Director

Allumette Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022 Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £	Total equity £
At 1 April 2021	2,837,884	302,718	(1,248,233)	1,892,369	1,892,369
Profit for the year	-	-	252,947	252,947	252,947
Other comprehensive income	-	(12,933)	12,933	-	-
Total comprehensive income	-	(12,933)	265,880	252,947	252,947
At 31 March 2022	<u>2,837,884</u>	<u>289,785</u>	<u>(982,353)</u>	<u>2,145,316</u>	<u>2,145,316</u>

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £	Total equity £
At 1 April 2020	620,000	315,651	(730,644)	205,007	205,007
Loss for the year	-	-	(530,522)	(530,522)	(530,522)
Other comprehensive income	-	(12,933)	12,933	-	-
Total comprehensive income	-	(12,933)	(517,589)	(530,522)	(530,522)
Other share capital movements	<u>2,217,884</u>	<u>-</u>	<u>-</u>	<u>2,217,884</u>	<u>2,217,884</u>
At 31 March 2021	<u>2,837,884</u>	<u>302,718</u>	<u>(1,248,233)</u>	<u>1,892,369</u>	<u>1,892,369</u>

Allumette Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Profit and loss account £	Total £
At 1 April 2021	2,837,884	973,997	3,811,881
Profit for the year	-	219,473	219,473
Total comprehensive income	-	219,473	219,473
At 31 March 2022	2,837,884	1,193,470	4,031,354

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	620,000	924,607	1,544,607
Profit for the year	-	49,390	49,390
Total comprehensive income	-	49,390	49,390
Other share capital movements	2,217,884	-	2,217,884
At 31 March 2021	2,837,884	973,997	3,811,881

Allumette Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit/(loss) for the year		252,947	(530,522)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>6</u>	769,351	785,443
Profit on disposal of tangible assets	<u>5</u>	(1,000)	(2,000)
Finance costs	<u>7</u>	537,242	747,986
Income tax expense	<u>11</u>	157,334	14,678
		1,715,874	1,015,585
Working capital adjustments			
Increase in stocks	<u>15</u>	(143,157)	(74,006)
(Increase)/decrease in trade debtors	<u>16</u>	(663,407)	444,599
Increase in trade creditors	<u>18</u>	71,615	386,686
Cash generated from operations		980,925	1,772,864
Income taxes paid	<u>11</u>	-	(39,151)
Net cash flow from operating activities		980,925	1,733,713
Cash flows from investing activities			
Acquisitions of tangible assets		(93,441)	(322,008)
Proceeds from sale of tangible assets		1,000	2,000
Net cash flows from investing activities		(92,441)	(320,008)
Cash flows from financing activities			
Interest paid	<u>7</u>	(64,409)	(94,579)
Repayment of bank borrowing		(600,000)	(600,000)
Repayment of other borrowing		-	(160,000)
Payments to finance lease creditors		(133,386)	(133,039)
Net cash flows from financing activities		(797,795)	(987,618)
Net increase in cash and cash equivalents		90,689	426,087
Cash and cash equivalents at 1 April		1,310,936	884,849
Cash and cash equivalents at 31 March		1,401,625	1,310,936

Allumette Limited

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		219,473	49,390
Adjustments to cash flows from non-cash items			
Finance income		(525,000)	(525,000)
Finance costs		515,109	726,219
		209,582	250,609
Working capital adjustments			
Decrease/(increase) in trade debtors	<u>16</u>	173,492	(171,521)
(Decrease)/increase in trade creditors	<u>18</u>	(362,757)	305,772
Net cash flow from operating activities		20,317	384,860
Cash flows from investing activities			
Dividend income from financial assets		525,000	525,000
Cash flows from financing activities			
Interest paid		(42,276)	(72,812)
Repayment of bank borrowing		(600,000)	(600,000)
Repayment of other borrowing		-	(160,000)
Net cash flows from financing activities		(642,276)	(832,812)
Net (decrease)/increase in cash and cash equivalents		(96,959)	77,048
Cash and cash equivalents at 1 April		261,386	184,338
Cash and cash equivalents at 31 March		164,427	261,386

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Yardley Brook Ind. Park
Lea Ford Road
Shard End
Birmingham
B33 9TX

These financial statements were authorised for issue by the Board on 2 August 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Government grants

Income based government grants are recognised in the period to which they relate.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over the length of the lease
Plant and machinery	20% straight line
Motor vehicles	25% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the

combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill on consolidation	10 years straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	<u>12,886,381</u>	<u>10,725,690</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants - CJRS monies received	<u>-</u>	<u>284,678</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2022	2021
	£	£
Gain on disposal of property, plant and equipment	<u>1,000</u>	<u>2,000</u>

6 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	241,615	257,707
Amortisation expense	527,736	527,736
Research and development cost	-	6,434
Operating lease expense - plant and machinery	102,284	102,896
Profit on disposal of property, plant and equipment	<u>(1,000)</u>	<u>(2,000)</u>

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	48,089	77,608
Interest on obligations under finance leases and hire purchase contracts	16,320	16,971
Interest expense on other finance liabilities	472,833	653,407
Foreign exchange gains	<u>2,245</u>	<u>25,941</u>
	<u>539,487</u>	<u>773,927</u>

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	5,270,512	4,676,257
Social security costs	482,379	399,948
Other short-term employee benefits	2,009	1,818
Pension costs, defined contribution scheme	203,798	158,810
Other post-employment benefit costs	(10,000)	-
	<u>5,948,698</u>	<u>5,236,833</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Production	168	163
Administration and support	13	13
Other departments	9	9
	<u>190</u>	<u>185</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	308,036	220,730
Contributions paid to money purchase schemes	99,500	72,000
	<u>407,536</u>	<u>292,730</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>2</u>	<u>2</u>

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

10 Auditors' remuneration

	2022 £	2021 £
Audit of these financial statements	1,000	1,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	9,000	9,000
	<u>10,000</u>	<u>10,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	91,943	-
Deferred taxation		
Arising from origination and reversal of timing differences	<u>65,391</u>	<u>14,678</u>
Tax expense in the income statement	<u>157,334</u>	<u>14,678</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit/(loss) before tax	<u>410,281</u>	<u>(515,844)</u>
Corporation tax at standard rate	77,953	(98,010)
Effect of expense not deductible in determining taxable profit (tax loss)	3,650	2,612
Effect of tax losses	-	9,806
Tax decrease from effect of capital allowances and depreciation	(24,540)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>100,271</u>	<u>100,270</u>
Total tax charge	<u>157,334</u>	<u>14,678</u>

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated tax depreciation	-	298,686
Tax losses carry forward	8,511	-
Revaluation of property	-	44,616
	<u>8,511</u>	<u>343,302</u>
	Asset £	Liability £
2021		
Accelerated tax depreciation	-	233,422
Tax losses carry forward	8,511	-
Revaluation of property	-	44,616
	<u>8,511</u>	<u>278,038</u>

12 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 April 2021	<u>5,277,319</u>	<u>5,277,319</u>
At 31 March 2022	<u>5,277,319</u>	<u>5,277,319</u>
Amortisation		
At 1 April 2021	2,145,631	2,145,631
Amortisation charge	<u>527,736</u>	<u>527,736</u>
At 31 March 2022	<u>2,673,367</u>	<u>2,673,367</u>
Carrying amount		
At 31 March 2022	<u>2,603,952</u>	<u>2,603,952</u>
At 31 March 2021	<u>3,131,688</u>	<u>3,131,688</u>

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

13 Tangible assets

Group

	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation					
At 1 April 2021	3,178,254	23,865	4,455,365	2,604	7,660,088
Additions	2,100	-	533,678	-	535,778
At 31 March 2022	3,180,354	23,865	4,989,043	2,604	8,195,866
Depreciation					
At 1 April 2021	38,679	17,797	3,320,049	1,844	3,378,369
Charge for the year	35,501	1,721	203,915	478	241,615
At 31 March 2022	74,180	19,518	3,523,964	2,322	3,619,984
Carrying amount					
At 31 March 2022	3,106,174	4,347	1,465,079	282	4,575,882
At 31 March 2021	3,139,575	6,068	1,135,316	760	4,281,719

Included within the net book value of land and buildings above is £3,106,174 (2021 - £3,139,575) in respect of long leasehold land and buildings.

Revaluation

The fair value of the group's long leasehold land and buildings was revalued on 7 January 2020 by an independent valuer.

N Olds Msc MRICS on behalf of Lambert Smith Hampton

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £1,797,389 (2021 - £1,830,790).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Plant and machinery	865,608	433,377

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Contractual commitments for the acquisition of property, plant and equipment

Contractual commitments for the acquisition of tangible assets were as follows:

	2022 £	2021 £
Plant and machinery	-	465,501

14 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Motion Finance Limited*	Yardley Brook Industrial Park, Lea Ford Road, Shard End, Birmingham B33 9TX England & Wales	Ordinary £1 shares	100%	100%
Vertik-al Limited	Yardley Brook Industrial Park, Lea Ford Road, Shard End, Birmingham B33 9TX England & Wales	Ordinary £1 shares	100%	100%
Ikon Aluminium Solutions (Holdings) Limited *	Yardley Brook Industrial Park, Lead Ford Road, Shard End, Birmingham B33 9TX England & Wales	Ordinary £1 shares	100%	100%
Ikon Aluminium Systems Limited	Yardley Brook Industrial Park, Lea Ford Road, Shard End, Birmingham B33 9TX England & Wales	Ordinary £1 shares	100%	100%

* indicates direct investment of the company

Subsidiary undertakings

The principal activity of Motion Finance Limited is that of a holding company.

The principal activity of Vertik-al Limited is that of powder coaters and metal finishers.

The principal activity of Ikon Aluminium Solutions (Holdings) Limited is that of a holding and rental company.

The principal activity of Ikon Aluminium Systems Limited is that of the sale of aluminium and ventilation products.

Company

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	2022 £	2021 £
Investments in subsidiaries	10,142,424	10,142,424

Subsidiaries £

Cost or valuation

At 1 April 2021 10,142,424

Provision

Carrying amount

At 31 March 2022 10,142,424

At 31 March 2021 10,142,424

15 Stocks

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Raw materials and consumables	250,351	120,157	-	-
Other inventories	179,695	166,732	-	-
	430,046	286,889	-	-

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Debtors

		Group		Company	
	Note	2022	2021	2022	2021
		£	£	£	£
Trade debtors		2,425,118	1,774,835	-	-
Amounts owed by related parties	<u>23</u>	-	-	-	175,000
Other debtors		1,840	1,868	-	-
Prepayments		148,041	134,889	3,997	2,489
		<u>2,574,999</u>	<u>1,911,592</u>	<u>3,997</u>	<u>177,489</u>

17 Cash and cash equivalents

		Group		Company	
		2022	2021	2022	2021
		£	£	£	£
Cash on hand		126	536	-	-
Cash at bank		1,401,499	1,310,400	164,427	261,386
		<u>1,401,625</u>	<u>1,310,936</u>	<u>164,427</u>	<u>261,386</u>

18 Creditors

		Group		Company	
	Note	2022	2021	2022	2021
		£	£	£	£
Due within one year					
Loans and borrowings	<u>22</u>	1,323,614	1,855,636	1,129,000	1,729,000
Trade creditors		1,092,150	1,013,326	27,500	-
Amounts due to related parties	<u>23</u>	-	-	-	171,744
Social security and other taxes		567,641	739,465	5,675	299,861
Other payables		163,485	107,569	80,000	16,000
Accruals		421,056	312,356	48,561	36,888
Income tax liability	<u>11</u>	91,943	-	-	-
		<u>3,659,889</u>	<u>4,028,352</u>	<u>1,290,736</u>	<u>2,253,493</u>
Due after one year					
Loans and borrowings	<u>22</u>	<u>5,446,382</u>	<u>4,732,577</u>	<u>4,988,758</u>	<u>4,515,925</u>

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

19 Deferred tax and other provisions

Group

	Deferred tax £	Total £
At 1 April 2021	269,526	269,526
Increase (decrease) in existing provisions	65,391	65,391
At 31 March 2022	334,917	334,917

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £203,798 (2021 - £158,810).

21 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	620,000	620,000	620,000	620,000
Preference shares of £1 each	2,217,884	2,217,884	2,217,884	2,217,884
	<u>2,837,884</u>	<u>2,837,884</u>	<u>2,837,884</u>	<u>2,837,884</u>

22 Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Non-current loans and borrowings				
Hire purchase contracts	457,624	216,652	-	-
Other borrowings	<u>4,988,758</u>	<u>4,515,925</u>	<u>4,988,758</u>	<u>4,515,925</u>
	<u>5,446,382</u>	<u>4,732,577</u>	<u>4,988,758</u>	<u>4,515,925</u>

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Current loans and borrowings				
Bank borrowings	1,129,000	1,729,000	1,129,000	1,729,000
Hire purchase contracts	<u>194,614</u>	<u>126,636</u>	<u>-</u>	<u>-</u>
	<u>1,323,614</u>	<u>1,855,636</u>	<u>1,129,000</u>	<u>1,729,000</u>

Company

Bank borrowings

Allumette Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Yorkshire bank loan A is denominated in Sterling with a nominal interest rate of 4.10206%, and the final instalment is due on 8 March 2022. The carrying amount at year end is £71,858 (2021 - £500,429).

Yorkshire bank loan C is denominated in Sterling with a nominal interest rate of 3.10206%, and the final instalment is due on 8 March 2022. The carrying amount at year end is £1,057,142 (2021 - £1,228,571).

The bank loans are secured by a fixed and floating charge over the assets of the company and its subsidiaries. Subsequent to the year end, the directors of the company have secured a new loan facility with Yorkshire Bank to replace all existing loans. The new loan was secured on 1 August 2022 and will terminate 1 August 2027.

Other borrowings

MGL loan is denominated in Sterling with a nominal interest rate of 10%, and the final instalment is due on 1 April 2023. The carrying amount at year end is £2,494,379 (2021 - £2,257,962).

NPCCL loan is denominated in Sterling with a nominal interest rate of 10%, and the final instalment is due on 1 April 2023. The carrying amount at year end is £2,494,379 (2021 - £2,257,962).

23 Related party transactions

Company

Summary of transactions with all subsidiaries

Motion Finance Limited

During the period the company received management charges of £600,000 (2021: £600,000) and a dividend of £87,500 (2021: £350,000) from Motion Finance Limited. At the balance sheet date the company owed £Nil (2021: £171,144) to Motion Finance Limited.

Ikon Aluminium Solutions (Holdings) Limited

During the period the company received management charges of £120,000 (2021: £120,000) and a dividend of £437,500 (2021: £175,000) from Ikon Aluminium Solutions (Holdings) Limited. At the balance sheet date the company was owed £Nil (2021: £175,000) from Ikon Aluminium Solutions (Holdings) Limited.

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