

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Folkes Worton LLP
Chartered Accountants and Statutory Auditor
15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

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FOR THE YEAR ENDED 31 DECEMBER 2021

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**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

Miss R S Hill
Dr C Maisch
Mr S J Morgan

SECRETARY:

Mrs J Phillips

REGISTERED OFFICE:

15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

REGISTERED NUMBER:

01798633 (England and Wales)

AUDITORS:

Folkes Worton LLP
Chartered Accountants and Statutory Auditor
15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

BANKERS:

Lloyds Bank plc
134 High Street
Stourbridge
West Midlands
DY8 1DS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

The directors consider the key performance indicators to be turnover, gross profit, operating profit and net assets, which communicate the financial performance and strength of the group and are all disclosed within the body of the financial statements.

At the outbreak of the global COVID-19 pandemic in March 2020, the company and the group suffered a significant decrease in turnover which was partially compensated for by available government support. By July 2020, turnover had recovered to pre-pandemic levels and the company and the group are now operating normally.

The movements in gross profit and operating profit all reflect trading activity within the group of companies, all of which continue to compete in what remains a challenging trading climate with increasing competition and volatile market prices. Consistent control of overhead costs has reflected the trading results and the subsequent increase in net assets, demonstrating the value of the policies adopted by the group.

From knowledge and information available currently, the directors feel that consistent application of group policies and the continued refocusing of sales targeting will enable them to compete in what continues to be a difficult market.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's activities expose it to a number of financial risks including cash flow risk, credit risk and price risk.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest bearing assets and liabilities are held at fixed rate, if considered appropriate, to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparts and customers.

Price risk

The group is exposed to commodity price risk, but endeavours to manage this risk.

ON BEHALF OF THE BOARD:

Mrs J Phillips - Secretary

30 May 2022

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of suppliers of profiles to the construction industry.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Miss R S Hill
Dr C Maisch
Mr S J Morgan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

AUDITORS

The auditors, Folkes Worton LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs J Phillips - Secretary

30 May 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED**

Opinion

We have audited the financial statements of Western Expanded Metal Industries Co. Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 group's and of the parent company affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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:

Based on our understanding of the group, the company and their industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to:

- Revenue recognition;
- Existence and valuation of inventories;
- Existence and valuation of trade receivables;
- Existence and completeness of trade liabilities and accruals;
- Management override of controls;
- The posting of inappropriate journal entries to increase revenue or reduce expenditure;
- Management bias in accounting estimates and judgements; and
- Non-disclosure of transactions and balances with related parties.

In response to the above identified risks, audit procedures were designed to enable us to arrive at appropriately drawn conclusions. These audit procedures include;

- Documentation of the invoice recording processes and agreement of a sample of income from source to the nominal entries;
- Attendance at physical stock checks;
- Verification with customers of the valuation of trade receivables;
- Verification with suppliers of the valuation of trade payables and accruals;
- Review and challenging of journal entries, in particular unusual transactions and account combinations;
- Challenging of assumptions and judgements made by management in their assessment of significant accounting estimates;
- Review of the list of related parties, discussion with management and review of the records of account; and
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely it would be for the inherently limited procedures required by auditing standards to identify it. In addition, as with any audit, there remains a risk of not detecting irregularities as these may include collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED

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 a Report of the Auditors 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.

Nigel Meredith FCA (Senior Statutory Auditor)
for and on behalf of Folkes Worton LLP
Chartered Accountants and Statutory Auditor
15-17 Church Street
Stourbridge
West Midlands
DY8 1LU

30 May 2022

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	15,060,858	10,878,763
Cost of sales		<u>7,913,032</u>	<u>5,440,805</u>
GROSS PROFIT		7,147,826	5,437,958
Administrative expenses		<u>5,449,882</u>	<u>4,967,332</u>
		1,697,944	470,626
Other operating income		<u>10,968</u>	<u>253,969</u>
OPERATING PROFIT	5	1,708,912	724,595
Interest payable and similar expenses	6	<u>38,550</u>	<u>52,482</u>
PROFIT BEFORE TAXATION		1,670,362	672,113
Tax on profit	7	<u>324,074</u>	<u>126,830</u>
PROFIT FOR THE FINANCIAL YEAR		1,346,288	545,283
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,346,288</u>	<u>545,283</u>
Profit attributable to:			
Owners of the parent		1,307,403	525,055
Non-controlling interests		<u>38,885</u>	<u>20,228</u>
		<u>1,346,288</u>	<u>545,283</u>
Total comprehensive income attributable to:			
Owners of the parent		1,307,403	525,055
Non-controlling interests		<u>38,885</u>	<u>20,228</u>
		<u>1,346,288</u>	<u>545,283</u>

The notes form part of these financial statements

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	9		11,209		26,688
Tangible assets	10		3,697,505		3,723,033
Investments	11		-		-
			<u>3,708,714</u>		<u>3,749,721</u>
CURRENT ASSETS					
Stocks	12	3,366,657		1,832,869	
Debtors	13	2,893,107		2,789,173	
Cash at bank and in hand		<u>1,722,398</u>		<u>1,975,564</u>	
		7,982,162		6,597,606	
CREDITORS					
Amounts falling due within one year	14	<u>2,886,587</u>		<u>2,570,611</u>	
NET CURRENT ASSETS			<u>5,095,575</u>		<u>4,026,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,804,289		7,776,716
CREDITORS					
Amounts falling due after more than one year	15		(726,183)		(1,041,262)
PROVISIONS FOR LIABILITIES	19		<u>(252,523)</u>		<u>(256,159)</u>
NET ASSETS			<u>7,825,583</u>		<u>6,479,295</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>7,766,477</u>		<u>6,459,074</u>
SHAREHOLDERS' FUNDS			<u>7,766,577</u>		<u>6,459,174</u>
NON-CONTROLLING INTERESTS	22		<u>59,006</u>		<u>20,121</u>
TOTAL EQUITY			<u>7,825,583</u>		<u>6,479,295</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2022 and were signed on its behalf by:

Miss R S Hill - Director

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		1,868,549		1,853,326
Investments	11		862,000		862,000
			<u>2,730,549</u>		<u>2,715,326</u>
CURRENT ASSETS					
Stocks	12	1,749,775		983,922	
Debtors	13	4,611,786		4,302,052	
Cash at bank and in hand		<u>1,243,606</u>		<u>1,502,249</u>	
		7,605,167		6,788,223	
CREDITORS					
Amounts falling due within one year	14	<u>1,955,378</u>		<u>1,544,450</u>	
NET CURRENT ASSETS			<u>5,649,789</u>		<u>5,243,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,380,338		7,959,099
CREDITORS					
Amounts falling due after more than one year	15		-		(62,642)
PROVISIONS FOR LIABILITIES	19		<u>(237,541)</u>		<u>(237,739)</u>
NET ASSETS			<u>8,142,797</u>		<u>7,658,718</u>
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Retained earnings	21		<u>8,142,697</u>		<u>7,658,618</u>
SHAREHOLDERS' FUNDS			<u>8,142,797</u>		<u>7,658,718</u>
Company's profit for the financial year			<u>484,079</u>		<u>128,126</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2022 and were signed on its behalf by:

Miss R S Hill - Director

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

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

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2020	100	5,934,019	5,934,119	(107)	5,934,012
Changes in equity					
Total comprehensive income	-	525,055	525,055	20,228	545,283
Balance at 31 December 2020	100	6,459,074	6,459,174	20,121	6,479,295
Changes in equity					
Total comprehensive income	-	1,307,403	1,307,403	38,885	1,346,288
Balance at 31 December 2021	100	7,766,477	7,766,577	59,006	7,825,583

The notes form part of these financial statements

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	100	7,530,492	7,530,592
Changes in equity			
Total comprehensive income	-	128,126	128,126
Balance at 31 December 2020	100	7,658,618	7,658,718
Changes in equity			
Total comprehensive income	-	484,079	484,079
Balance at 31 December 2021	100	8,142,697	8,142,797

The notes form part of these financial statements

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	996,598	916,202
Interest paid		(36,466)	(46,943)
Interest element of hire purchase payments paid		(2,084)	(5,539)
Government grants received		6,332	212,102
Tax paid		(138,931)	(80,506)
Net cash from operating activities		<u>825,449</u>	<u>995,316</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(308,839)	(172,113)
Sale of tangible fixed assets		2,228	-
Net cash from investing activities		<u>(306,611)</u>	<u>(172,113)</u>
Cash flows from financing activities			
New loans in year		-	150,000
Loan repayments in year		(254,520)	(59,768)
Capital repayments in year		(94,952)	(100,251)
Movement in group balances		(183,178)	(58,700)
Loans to related parties		-	402,000
Net cash from financing activities		<u>(532,650)</u>	<u>333,281</u>
(Decrease)/increase in cash and cash equivalents		<u>(13,812)</u>	<u>1,156,484</u>
Cash and cash equivalents at beginning of year	2	1,736,210	579,726
Cash and cash equivalents at end of year	2	<u>1,722,398</u>	<u>1,736,210</u>

The notes form part of these financial statements

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	1,670,362	672,113
Depreciation charges	344,650	315,441
Loss on disposal of fixed assets	2,968	-
Government grants	(6,332)	(212,102)
Finance costs	38,550	52,482
	<u>2,050,198</u>	<u>827,934</u>
Increase in stocks	(1,533,788)	(258,089)
Increase in trade and other debtors	(122,594)	(143,058)
Increase in trade and other creditors	602,782	489,415
Cash generated from operations	<u>996,598</u>	<u>916,202</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	1,722,398	1,975,564
Bank overdrafts	-	(239,354)
	<u>1,722,398</u>	<u>1,736,210</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	1,975,564	848,808
Bank overdrafts	(239,354)	(269,082)
	<u>1,736,210</u>	<u>579,726</u>

WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank and in hand	1,975,564	(253,166)	1,722,398
Bank overdrafts	<u>(239,354)</u>	<u>239,354</u>	<u>-</u>
	<u>1,736,210</u>	<u>(13,812)</u>	<u>1,722,398</u>
Debt			
Finance leases	(111,858)	94,952	(16,906)
Debts falling due within 1 year	(232,256)	117,231	(115,025)
Debts falling due after 1 year	<u>(588,660)</u>	<u>137,289</u>	<u>(451,371)</u>
	<u>(932,774)</u>	<u>349,472</u>	<u>(583,302)</u>
Total	<u>803,436</u>	<u>335,660</u>	<u>1,139,096</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. **STATUTORY INFORMATION**

Western Expanded Metal Industries Co. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 value added tax and other sales related taxes. The fair value of consideration takes into account trade discounts.

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 the 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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2010 has been fully amortised.

Goodwill, being the surplus paid over the fair value of assets acquired on investment in group companies, has been written off in the year of investment in order to avoid overstatement of the net asset value of the group.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Tangible assets are initially measured at cost. After initial recognition, tangible assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. The useful life of each asset is estimated as:

Buildings	- 33 years
Outside facilities	- 15 to 33 years
Technical equipment and machinery	- 5 to 14 years
Factory and office equipment	- 3 to 14 years
Motor vehicles	- 6 years
Hardware	- 3 years

No depreciation is provided on freehold land.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are accounted for under the accrual model in which revenue grants are recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	13,150,879	8,970,067
Europe	1,885,437	1,830,884
Asia	24,542	77,812
	<u>15,060,858</u>	<u>10,878,763</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,576,340	2,444,421
Social security costs	261,400	246,654
Other pension costs	134,813	98,776
	<u>2,972,553</u>	<u>2,789,851</u>

The average number of employees during the year was as follows:

	2021	2020
Administration and sales	40	42
Production and warehousing	<u>52</u>	<u>50</u>
	<u>92</u>	<u>92</u>

	2021 £	2020 £
Directors' remuneration	148,507	113,231
Directors' pension contributions to money purchase schemes	<u>5,562</u>	<u>5,221</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Money purchase schemes	<u>2</u>	<u>2</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	204,731	203,783
Depreciation - owned assets	230,024	270,545
Depreciation - assets on hire purchase contracts	99,147	29,412
Loss on disposal of fixed assets	2,968	-
Computer software amortisation	15,479	15,484
Auditors' remuneration	25,605	23,740
Auditors' remuneration for non audit work	7,225	6,770
Foreign exchange differences	(30,261)	42,110

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	23,296	28,847
Loan interest	12,625	16,780
Other interest	545	1,316
Hire purchase interest	2,084	5,539
	<u>38,550</u>	<u>52,482</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	319,153	130,374
Prior year tax adjustment	8,557	-
Total current tax	<u>327,710</u>	<u>130,374</u>
Deferred tax:		
Charge re current year	(3,636)	(3,544)
Tax on profit	<u>324,074</u>	<u>126,830</u>

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>1,670,362</u>	<u>672,113</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2020 - 19 %)	317,369	127,701
Effects of:		
Expenses not deductible for tax purposes	399	322
Capital allowances in excess of depreciation	(2,251)	-
Depreciation in excess of capital allowances	-	7,364
Research and development credits	8,557	(8,557)
Total tax charge	<u>324,074</u>	<u>126,830</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2021 and 31 December 2021	<u>407,027</u>	<u>77,412</u>	<u>484,439</u>
AMORTISATION			
At 1 January 2021	407,027	50,724	457,751
Amortisation for year	-	15,479	15,479
At 31 December 2021	<u>407,027</u>	<u>66,203</u>	<u>473,230</u>
NET BOOK VALUE			
At 31 December 2021	-	11,209	11,209
At 31 December 2020	-	26,688	26,688

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2021	2,572,472	3,127,915	387,508	190,123	6,278,018
Additions	-	308,839	-	-	308,839
Disposals	-	(10,800)	-	-	(10,800)
At 31 December 2021	<u>2,572,472</u>	<u>3,425,954</u>	<u>387,508</u>	<u>190,123</u>	<u>6,576,057</u>
DEPRECIATION					
At 1 January 2021	487,012	1,629,628	272,222	166,123	2,554,985
Charge for year	54,974	235,355	25,498	13,344	329,171
Eliminated on disposal	-	(5,604)	-	-	(5,604)
At 31 December 2021	<u>541,986</u>	<u>1,859,379</u>	<u>297,720</u>	<u>179,467</u>	<u>2,878,552</u>
NET BOOK VALUE					
At 31 December 2021	<u>2,030,486</u>	<u>1,566,575</u>	<u>89,788</u>	<u>10,656</u>	<u>3,697,505</u>
At 31 December 2020	<u>2,085,460</u>	<u>1,498,287</u>	<u>115,286</u>	<u>24,000</u>	<u>3,723,033</u>

Included in cost of land and buildings is freehold land of £1,000,000 (2020 - £1,000,000) which is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2021	481,747
Transfer to ownership	(422,000)
At 31 December 2021	<u>59,747</u>
DEPRECIATION	
At 1 January 2021	101,341
Charge for year	99,147
Transfer to ownership	(191,648)
At 31 December 2021	<u>8,840</u>
NET BOOK VALUE	
At 31 December 2021	<u>50,907</u>
At 31 December 2020	<u>380,406</u>

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. **TANGIBLE FIXED ASSETS - continued**

Company

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2021	268,403	3,127,915	387,508	190,123	3,973,949
Additions	-	308,839	-	-	308,839
Disposals	-	(10,800)	-	-	(10,800)
At 31 December 2021	268,403	3,425,954	387,508	190,123	4,271,988
DEPRECIATION					
At 1 January 2021	52,650	1,629,628	272,222	166,123	2,120,623
Charge for year	14,223	235,355	25,498	13,344	288,420
Eliminated on disposal	-	(5,604)	-	-	(5,604)
At 31 December 2021	66,873	1,859,379	297,720	179,467	2,403,439
NET BOOK VALUE					
At 31 December 2021	201,530	1,566,575	89,788	10,656	1,868,549
At 31 December 2020	215,753	1,498,287	115,286	24,000	1,853,326

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2021	481,747
Transfer to ownership	(422,000)
At 31 December 2021	59,747
DEPRECIATION	
At 1 January 2021	101,341
Charge for year	99,147
Transfer to ownership	(191,648)
At 31 December 2021	8,840
NET BOOK VALUE	
At 31 December 2021	50,907
At 31 December 2020	380,406

**WESTERN EXPANDED METAL INDUSTRIES CO.
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2021
and 31 December 2021

862,000

NET BOOK VALUE

At 31 December 2021
At 31 December 2020

862,000

862,000

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Euro Profile International Systems Limited

Registered office: 15-17 Church Street, Stourbridge, West Midlands, DY8 1LU

Nature of business: Property rental and sale of building profiles

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		192,054	56,487
Profit for the year		<u>135,567</u>	<u>26,336</u>

Protektor UK Limited

Registered office: c/o Maclay Murray & Spens LLP, 1 George Square, Glasgow, G2 1AL

Nature of business: Manufacture of angle beads

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Ordinary A and Ordinary B			
Aggregate capital and reserves		1,176,517	499,126
Profit for the year		<u>677,391</u>	<u>343,572</u>

**WESTERN EXPANDED METAL INDUSTRIES CO.
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	1,419,113	425,636	886,537	207,611
Work in progress	50,673	11,189	50,673	11,189
Finished goods	1,896,871	1,396,044	812,565	765,122
	<u>3,366,657</u>	<u>1,832,869</u>	<u>1,749,775</u>	<u>983,922</u>

13. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,923,739	1,818,954	1,114,225	817,949
Amounts owed by group undertakings	57,997	76,657	2,282,108	2,294,970
Other debtors	648,945	648,915	648,945	648,915
Prepayments	262,426	244,647	198,348	172,058
	<u>2,893,107</u>	<u>2,789,173</u>	<u>4,243,626</u>	<u>3,933,892</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	368,160	368,160
Aggregate amounts	<u>2,893,107</u>	<u>2,789,173</u>	<u>4,611,786</u>	<u>4,302,052</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts (see note 16)	115,025	471,610	-	4,167
Hire purchase contracts (see note 17)	16,906	95,049	16,906	95,049
Trade creditors	1,863,457	1,192,770	1,587,099	1,026,190
Amounts owed to group undertakings	124,558	165,415	-	78,047
Tax	319,153	130,374	105,712	21,269
Social security and other taxes	136,790	313,020	60,441	224,721
Other creditors	29,893	28,216	7,845	7,567
Accruals	280,805	174,157	177,375	87,440
	<u>2,886,587</u>	<u>2,570,611</u>	<u>1,955,378</u>	<u>1,544,450</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans (see note 16)	451,371	588,660	-	45,833
Hire purchase contracts (see note 17)	-	16,809	-	16,809
Amounts owed to group undertakings	274,812	435,793	-	-
	<u>726,183</u>	<u>1,041,262</u>	<u>-</u>	<u>62,642</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	239,354	-	-
Bank loans	115,025	232,256	-	4,167
	<u>115,025</u>	<u>471,610</u>	<u>-</u>	<u>4,167</u>
Amounts falling due between one and two years:				
Bank loans	116,568	105,889	-	10,000
Amounts falling due between two and five years:				
Bank loans	324,117	334,212	-	30,000
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	10,686	148,559	-	5,833

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	17,206	97,995
Between one and five years	-	17,205
	<u>17,206</u>	<u>115,200</u>
Finance charges repayable:		
Within one year	300	2,946
Between one and five years	-	396
	<u>300</u>	<u>3,342</u>
Net obligations repayable:		
Within one year	16,906	95,049
Between one and five years	-	16,809
	<u>16,906</u>	<u>111,858</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. LEASING AGREEMENTS - continued

Company

	Hire purchase contracts	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	17,206	97,995
Between one and five years	-	17,205
	<u>17,206</u>	<u>115,200</u>
Finance charges repayable:		
Within one year	300	2,946
Between one and five years	-	396
	<u>300</u>	<u>3,342</u>
Net obligations repayable:		
Within one year	16,906	95,049
Between one and five years	-	16,809
	<u>16,906</u>	<u>111,858</u>

Group

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	86,166	154,492
Between one and five years	58,232	70,319
In more than five years	690	-
	<u>145,088</u>	<u>224,811</u>

Company

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	43,569	60,048
Between one and five years	44,191	39,732
In more than five years	690	-
	<u>88,450</u>	<u>99,780</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	-	239,354	-	-
Bank loans	566,396	820,916	-	50,000
Hire purchase contracts	16,906	111,858	16,906	111,858
	<u>583,302</u>	<u>1,172,128</u>	<u>16,906</u>	<u>161,858</u>

Bank borrowing is secured by fixed and floating charges over the undertakings and all property and assets present and future.

Hire purchase and finance lease liabilities are secured on the assets acquired

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax				
Accelerated capital allowances	264,563	264,162	240,543	240,718
Other timing differences	(12,040)	(8,003)	(3,002)	(2,979)
	<u>252,523</u>	<u>256,159</u>	<u>237,541</u>	<u>237,739</u>

Group

	Deferred tax
	£
Balance at 1 January 2021	256,159
Utilised during year	(3,636)
Balance at 31 December 2021	<u>252,523</u>

Company

	Deferred tax
	£
Balance at 1 January 2021	237,739
Utilised during year	(198)
Balance at 31 December 2021	<u>237,541</u>

**WESTERN EXPANDED METAL INDUSTRIES CO.
LIMITED (REGISTERED NUMBER: 01798633)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £	2020 £
Number:	Class:			
100	Ordinary	£1	<u>100</u>	<u>100</u>

21. RESERVES

Group

	Retained earnings £
At 1 January 2021	6,459,074
Profit for the year	<u>1,307,403</u>
At 31 December 2021	<u>7,766,477</u>

Company

	Retained earnings £
At 1 January 2021	7,658,618
Profit for the year	<u>484,079</u>
At 31 December 2021	<u>8,142,697</u>

22. NON-CONTROLLING INTERESTS

Protektor UK Limited has issued share capital of 17,000 ordinary shares of £1 each, 500 A ordinary shares of £1 each and 500 B ordinary shares of £1 each. All shares carry equal rights.

The company holds all of the ordinary shares but the A and B ordinary shares are held by Protektorwerk Florenz Maisch GmbH & Co. KG, the parent company. As these consolidated financial statements only contain information on the sub-group headed by Western Expanded Metal Industries Co. Limited, the holding by Protektorwerk Florenz Maisch GmbH & Co. KG, is treated as a non-controlling interest.

23. CONTINGENT LIABILITIES

Each company within the group is party to a guarantee in respect of the bank borrowing of Hoo and How Limited, a company incorporated in England and Wales, which is wholly owned by Dr C. Maisch, a director of the company. At the statement of financial position date, the balance on this borrowing was £1,382,043 (2020 £1,462,207).

There is also a contingent liability to the company's bankers in respect of a VAT deferment guarantee of £20,000 (2020 £20,000).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. RELATED PARTY DISCLOSURES

Hoo and How Limited is a company incorporated in England and Wales and is wholly owned by Dr C. Maisch, a director of the company. The company is owed the sum of £648,464 (2020 £648,464) from Hoo and How Limited and this amount is included in other debtors. No interest has been charged on the loan.

25. ULTIMATE CONTROLLING PARTY

The parent company is Protektorwerk Florenz Maisch GmbH & Co. KG, a company registered in Germany.

The ultimate parent company is Protektorwerk GmbH, a company registered in Germany.

The ultimate controlling party is Dr. C. Maisch.

26. GOVERNMENT GRANTS

During the year, the group and the company received government grants as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Coronavirus Job Retention Scheme	4,248	210,440	896	90,078
Business Interruption Payments re				
Bounce Back Loans	2,084	1,572	623	524
	<u>6,332</u>	<u>212,012</u>	<u>1,519</u>	<u>90,602</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.