

Company registration number 01936377 (England and Wales)

BOUD MINERALS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Whitings LLP
Chartered Accountants
Fenland House
15B Hostmoor Avenue
March
Cambridgeshire
PE15 0AX

BOUD MINERALS LIMITED

COMPANY INFORMATION

Directors	Mr F Boud Mr DE Boud Mr TJ Boniface
Company number	01936377
Registered office	West Bank Sutton Bridge Spalding Lincolnshire PE12 9QH
Auditor	Whitings LLP Fenland House 15B Hostmoor Avenue March Cambridgeshire PE15 0AX
Accountant	Whitings LLP 12/13 The Crescent Wisbech Cambridgeshire PE13 1EH

BOUD MINERALS LIMITED

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BOUD MINERALS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Fair review of the business

The Directors are pleased to report that the results for the year ended 31 December 2022 are extremely strong despite the challenges facing the business as a result of inflation and increased operational costs.

The company continue to invest heavily in its fixed asset base to ensure that operationally they are as efficient as possible to ensure they can meet customer demand and continue to expand into the future, with the help of key strategic partners.

Principal risks and uncertainties

Credit Risk - The company's main financial assets are trade receivables, stock and cash and bank balances. Those assets represent the company's main exposure to credit risk, which is a risk that a counterparty will fail to discharge its obligations, resulting in financial loss to the company. Whilst the company does provide goods and services to many large customers it is not reliant on any of these to continue its operations, with this in mind the Directors believe that credit risk is both limited and mitigated.

Competitive Risk - the company operates in a highly competitive industry and faces competition from a number of sources. This competition may lead to pricing pressure which could result in squeezed profit margins and potential loss of business to other market players. The Directors continually monitor this risk, looking at ways which it can differentiate itself from competitors and continue to assert its strong position in the market.

Regulation Risk - the company operates in an industry which is subject to numerous laws and regulations covering a wide range of matters including health & safety, employment and other operating issues. The company is continually ensuring that the compliance demands of these regulatory factors are met and the Directors, supported by colleagues within the business, have ensured that the policies and culture in relation to this are well communicated to all employees.

Finance Risk - the company funded its operations for the year ended 31 December 2022 through a combination of retained profits, internally generated cash, loans and asset-backed finance arrangements. The Directors continuously monitor the financial health and liquidity of the business and look to utilise various methods of funding to the betterment of the business.

Economic Risk - the company operates in an industry which can be susceptible to adverse economic conditions through decreased business activity, especially in times of recession. Although the Directors acknowledge this risk, the core offering of the company is well diversified to combat this, with customers hailing from a range of industries. The directors are aware of the current conflict between the Ukraine and Russia and the impact this may have on the global supply chain and inflation going forwards, the Directors continue to monitor the situation closely.

Development and performance

The Directors post year end will continue to look for opportunities to grow its customer base and further improve ongoing financial performance, although it is noted that there are many challenges facing the business including continued spiralling inflation which will affect the cost base of the business for the foreseeable future.

BOUD MINERALS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The Directors considered the company's key performance indicators to be turnover, gross profit, gross margin and operating profit.

Turnover increased from £14,132,043 to £14,332,572.

Gross profit decreased from £4,369,497 to £4,326,453.

Gross margin decreased from 30.92% to 30.18%.

Operating profit decreased from £1,118,732 to £408,400.

On behalf of the board

Mr F Boud
Director

21 June 2023

BOUD MINERALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £77,100. The directors do not recommend payment of a final dividend.

Directors

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

Mr F Boud
Mr DE Boud
Mr TJ Boniface

Auditor

Whitings LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board

Mr F Boud
Director

21 June 2023

BOUD MINERALS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

BOUD MINERALS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BOUD MINERALS LIMITED

Qualified Opinion

We have audited the financial statements of Boud Minerals Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the period 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 qualified opinion at the end of the 2020 financial year

We were unable to observe the physical counting of stocks at 31 December 2020 due to restrictions imposed as a result of the Coronavirus pandemic at the end of that year. We were unable to satisfy ourselves by alternative means concerning stock quantities of £1,780,220 held at 31 December 2020 by using other audit procedures.

Consequently we were unable to determine whether any adjustment to this amount was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 December 2021. In addition, if any adjustment to the stock balance was required, the Strategic Report would also need to be amended.

We conducted our audit procedures in accordance with International Standards of 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Councils 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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

BOUD MINERALS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BOUD MINERALS LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

BOUD MINERALS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BOUD MINERALS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ben Beech ACA (Senior statutory auditor)
For and on behalf of Whitings LLP

21 June 2023

**Chartered Accountants &
Statutory Auditor**

Fenland House
15B Hostmoor Avenue
March
Cambridgeshire
PE15 0AX

BOUD MINERALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	14,332,572	14,132,043
Cost of sales		(10,006,119)	(9,762,546)
Gross profit		4,326,453	4,369,497
Administrative expenses		(3,922,343)	(3,255,826)
Other operating income		4,290	5,061
Operating profit	4	408,400	1,118,732
Interest receivable and similar income	8	218	-
Interest payable and similar expenses	9	(45,875)	(38,491)
Amounts written off investments		-	(20,000)
Profit before taxation		362,743	1,060,241
Tax on profit	10	(2,110)	(204,482)
Profit for the financial year		360,633	855,759

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BOUD MINERALS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Profit for the year	360,633	855,759
Other comprehensive income	-	-
Total comprehensive income for the year	<u>360,633</u>	<u>855,759</u>

BOUD MINERALS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	4,506,753		4,340,087	
Investments	15	101		101	
		<u>4,506,854</u>		<u>4,340,188</u>	
Current assets					
Stocks	16	2,826,468		2,305,232	
Debtors	17	1,925,856		1,878,563	
Cash at bank and in hand	18	79,997		290,872	
		<u>4,832,321</u>		<u>4,474,667</u>	
Creditors: amounts falling due within one year	19	(3,157,016)		(2,524,833)	
Net current assets		<u>1,675,305</u>		<u>1,949,834</u>	
Total assets less current liabilities		<u>6,182,159</u>		<u>6,290,022</u>	
Creditors: amounts falling due after more than one year	21	(615,370)		(1,008,876)	
Provisions for liabilities					
Deferred tax liability	23	515,216		513,106	
		<u>(515,216)</u>		<u>(513,106)</u>	
Net assets		<u>5,051,573</u>		<u>4,768,040</u>	
Capital and reserves					
Called up share capital	26	41,015		41,015	
Share premium account	27	672,258		672,258	
Revaluation reserve	28	239,293		239,293	
Profit and loss reserves	29	4,099,007		3,815,474	
Total equity		<u>5,051,573</u>		<u>4,768,040</u>	

The financial statements were approved by the board of directors and authorised for issue on 21 June 2023 and are signed on its behalf by:

Mr F Boud
Director

Company Registration No. 01936377

BOUD MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 January 2021		41,015	672,258	239,293	3,036,815	3,989,381
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	855,759	855,759
Dividends	11	-	-	-	(77,100)	(77,100)
Balance at 31 December 2021		41,015	672,258	239,293	3,815,474	4,768,040
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	360,633	360,633
Dividends	11	-	-	-	(77,100)	(77,100)
Balance at 31 December 2022		41,015	672,258	239,293	4,099,007	5,051,573

BOUD MINERALS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	34	915,616	705,041
Interest paid		(45,875)	(38,491)
Income taxes paid		(218)	(60,077)
Net cash inflow from operating activities		869,523	606,473
Investing activities			
Purchase of tangible fixed assets		(695,681)	(1,477,563)
Proceeds from disposal of tangible fixed assets		51,720	39,430
Proceeds from disposal of investments		-	(20,000)
Interest received		218	-
Net cash used in investing activities		(643,743)	(1,458,133)
Financing activities			
Repayment of bank loans		(118,222)	(118,223)
Payment of finance leases obligations		(245,135)	725,389
Dividends paid		(77,100)	(77,100)
Net cash (used in)/generated from financing activities		(440,457)	530,066
Net decrease in cash and cash equivalents		(214,677)	(321,594)
Cash and cash equivalents at beginning of year		290,872	612,466
Cash and cash equivalents at end of year		76,195	290,872
Relating to:			
Cash at bank and in hand		79,997	290,872
Bank overdrafts included in creditors payable within one year		(3,802)	-

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Boud Minerals Limited is a private company limited by shares incorporated in England and Wales. The registered office is West Bank, Sutton Bridge, Spalding, Lincolnshire, PE12 9QH.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

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

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

1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line basis. Land not depreciated
Freehold improvements	10% straight line basis
Plant and equipment	10 - 25% straight line basis
Fixtures and fittings	10 - 25% straight line basis
Motor vehicles	20% straight line and reducing balance basis

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

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

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

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

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

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

1.8 Stocks

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

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

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Employee benefits

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

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

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

1.14 Retirement benefits

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

1.15 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Merchanted products	5,289,700	5,395,762
Manufactured products	9,042,872	8,736,281
	<u>14,332,572</u>	<u>14,132,043</u>
All turnover arose within the United Kingdom.		
	2022	2021
	£	£
Turnover analysed by geographical market		
UK	13,031,170	12,304,833
Europe	834,469	1,553,063
Rest of world	466,933	274,147
	<u>14,332,572</u>	<u>14,132,043</u>
	2022	2021
	£	£
Other revenue		
Interest income	218	-
Grants received	-	1,196
	<u></u>	<u></u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	6,536	(88,123)
Government grants	-	(1,196)
Depreciation of owned tangible fixed assets	48,265	258,025
Depreciation of tangible fixed assets held under finance leases	220,362	67,069
Profit on disposal of tangible fixed assets	(11,694)	(1,849)
Operating lease charges	31,304	32,134
	<u></u>	<u></u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,300	11,500
	<u></u>	<u></u>

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Employees

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

	2022 Number	2021 Number
Director	3	3
Staff	57	51
Total	60	54

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,134,621	1,739,248
Social security costs	217,686	172,481
Pension costs	54,261	53,105
	2,406,568	1,964,834

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	160,740	150,729
Company pension contributions to defined contribution schemes	6,291	6,144
	167,031	156,873

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	218	-

9 Interest payable and similar expenses

	2022 £	2021 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	21,110	15,011
Other interest	24,765	23,480
	45,875	38,491

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	(60,077)
Deferred tax		
Origination and reversal of timing differences	2,110	264,559
Total tax charge	2,110	204,482

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

	2022 £	2021 £
Profit before taxation	362,743	1,060,241
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	68,921	201,446
Tax effect of expenses that are not deductible in determining taxable profit	1,494	4,655
Effect of change in corporation tax rate	506	123,145
Permanent capital allowances in excess of depreciation	(15,042)	(74,313)
Depreciation on assets not qualifying for tax allowances	5,705	5,705
Research and development tax credit	(59,474)	(56,156)
Taxation charge for the year	2,110	204,482

Factors that may affect future tax charges

Future increases to the UK Corporation tax rates were substantively enacted to increase the main rate of corporation tax from 19% to a rate between 19% and 25% with effect from 1 April 2023. The deferred tax liabilities do reflect these rates.

11 Dividends

	2022 £	2021 £
Dividends paid	77,100	77,100

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Fixed asset investments	15	-	20,000
Recognised in:			
Amounts written off investments		-	20,000

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

13 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	464,215
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	464,215
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

More information on impairment movements in the year is given in note 12.

BOUD MINERALS LIMITED

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

14 Tangible fixed assets	Freehold land and buildings	Freehold improvements	Assets under construction	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2022	1,925,000	90,986	8,320	3,195,784	172,807	559,303	5,952,200
Additions	280,000	-	18,451	299,881	6,357	90,993	695,682
Disposals	-	-	-	(14,945)	-	(39,067)	(54,012)
Transfers	-	-	(8,320)	-	-	-	(8,320)
At 31 December 2022	2,205,000	90,986	18,451	3,480,720	179,164	611,229	6,585,550
Depreciation and impairment							
At 1 January 2022	170,536	10,147	-	1,128,542	143,100	159,788	1,612,113
Depreciation charged in the year	28,000	7,114	-	136,796	16,102	80,615	268,627
Depreciation charged in the year (HP)	-	-	-	183,747	-	36,616	220,363
Eliminated in respect of disposals	-	-	-	(7,597)	-	(14,709)	(22,306)
At 31 December 2022	198,536	17,261	-	1,441,488	159,202	262,310	2,078,797
Carrying amount							
At 31 December 2022	2,006,464	73,725	18,451	2,039,232	19,962	348,919	4,506,753
At 31 December 2021	1,754,464	80,839	8,320	2,067,242	29,707	399,515	4,340,087

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and equipment	370,269	539,377
Motor vehicles	756,110	842,959
	<u>1,126,379</u>	<u>1,382,336</u>

15 Fixed asset investments

	2022 £	2021 £
Investments in subsidiaries	101	101
	<u>101</u>	<u>101</u>

16 Stocks

	2022 £	2021 £
Raw materials and consumables	2,826,468	2,305,232
	<u>2,826,468</u>	<u>2,305,232</u>

Stock recognised in cost of sales during the year as an expense was £9,348,849 (2021: £9,169,165).

17 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,609,834	1,493,298
Corporation tax recoverable	98,119	97,901
Other debtors	348	15,685
Prepayments and accrued income	217,555	271,679
	<u>1,925,856</u>	<u>1,878,563</u>

An impairment loss of £nil (2021: £24,130) was provided against trade debtors.

18 Cash and cash equivalents

Cash at bank and in hand at the year end was £79,997 (2021 - £290,872).

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	20	122,024	118,222
Obligations under finance leases	22	394,159	364,010
Trade creditors		1,963,107	1,735,982
Amounts owed to group undertakings		340	340
Taxation and social security		345,399	231,005
Other creditors		228,383	23,446
Accruals and deferred income		103,604	51,828
		<u>3,157,016</u>	<u>2,524,833</u>

Bank loans and hire purchase agreements are secured against the assets to which they relate to.

20 Loans and overdrafts

	2022 £	2021 £
Bank loans	443,342	561,564
Bank overdrafts	3,802	-
	<u>447,144</u>	<u>561,564</u>
Payable within one year	122,024	118,222
Payable after one year	325,120	443,342
	<u>447,144</u>	<u>561,564</u>

The bank loan is secured by fixed and floating charges over the company's assets. Interest on the bank loans are charged at 2.73% above fixed rate and 3.53% over LIBOR.

21 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	325,120	443,342
Obligations under finance leases	290,250	565,534
	<u>615,370</u>	<u>1,008,876</u>

Bank loans and hire purchase agreements are secured against the assets to which they relate to.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	394,159	364,010
In two to five years	290,250	565,534
	<u>684,409</u>	<u>929,544</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	576,392	593,074
Tax losses	(61,176)	(79,968)
	<u>515,216</u>	<u>513,106</u>
Movements in the year:		2022
		£
Liability at 1 January 2022		513,106
Charge to profit or loss		2,110
Liability at 31 December 2022		<u>515,216</u>

24 Government grants

Government grant income received in the year was £nil (2021 - £1,196).

Government grant income represents amounts received under the Coronavirus Job Retention Scheme.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Retirement benefit schemes		
	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	54,261	53,105

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

26 Share capital				
	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A shares of £1 each	8,894	8,894	8,894	8,894
Ordinary B shares of £1 each	20,918	20,918	20,918	20,918
Ordinary C shares non voting of £1 each	3,000	3,000	3,000	3,000
Ordinary D shares of £1 each	8,203	8,203	8,203	8,203
	41,015	41,015	41,015	41,015

All classes of shares shall rank pari passu except that 1) the directors may pay interim dividends at variable rates on the different share classes of shares and 2) the C ordinary shares have no voting rights.

27 Share premium account		
	2022	2021
	£	£
At the beginning and end of the year	672,258	672,258

The balance classified as share premium relates to the aggregate net processed less nominal value of shares on issue of the Company's equity share capital.

28 Revaluation reserve		
	2022	2021
	£	£
At the beginning and end of the year	239,293	239,293

Represents all of the current and prior period gains on the valuation of the Company's freehold property.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	3,815,474	3,036,815
Profit for the year	360,633	855,759
Dividends declared and paid in the year	(77,100)	(77,100)
At the end of the year	<u>4,099,007</u>	<u>3,815,474</u>

Represents all current and prior periods retained profits and losses, less dividends paid.

30 Operating lease commitments

Lessee

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

	2022 £	2021 £
Within one year	200,212	203,552
Between two and five years	167,602	365,799
	<u>367,814</u>	<u>569,351</u>

31 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	<u>169,406</u>	<u>24,900</u>

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>160,740</u>	<u>150,729</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

32 Related party transactions

(Continued)

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Instarmac Group PLC	1,119,954	314,098	90,043	44,118
Boud AB	-	208,578	195,430	842,105
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Instarmac Group PLC	35,355	29,132
Boud AB	-	45,396
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Instarmac Group PLC	195,671	76,705
	<u> </u>	<u> </u>

Other information

Boud Minerals AB, is a company owned and controlled by a director of Boud Minerals Ltd.

Boud Minerals Ltd are partially owned by Instarmac Holding Limited, who wholly own Instarmac Group PLC.

33 Ultimate controlling party

The ultimate controlling party is Mr F Boud who holds a majority shareholding in the company.

BOUD MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

34 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	360,633	855,759
Adjustments for:		
Taxation charged	2,110	204,482
Finance costs	45,875	38,491
Investment income	(218)	-
Gain on disposal of tangible fixed assets	(11,694)	(1,849)
Depreciation and impairment of tangible fixed assets	488,990	392,163
Other gains and losses	-	20,000
Movements in working capital:		
Increase in stocks	(521,236)	(525,012)
Increase in debtors	(47,076)	(419,535)
Increase in creditors	598,232	140,542
Cash generated from operations	915,616	705,041

35 Analysis of changes in net debt

	1 January 2022 £	Cash flows £	New finance leases £	31 December 2022 £
Cash at bank and in hand	290,872	(210,875)	-	79,997
Bank overdrafts	-	(3,802)	-	(3,802)
	290,872	(214,677)	-	76,195
Borrowings excluding overdrafts	(561,564)	118,222	-	(443,342)
Obligations under finance leases	(929,544)	397,728	(152,593)	(684,409)
	(1,200,236)	301,273	(152,593)	(1,051,556)

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.