

COMPANY REGISTRATION NUMBER: 08380734

Alloy Wire Holdings Limited

Financial Statements

31 March 2022

Alloy Wire Holdings Limited

Financial Statements

Year ended 31 March 2022

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Alloy Wire Holdings Limited
Officers and Professional Advisers

The board of directors

Mr M Venables
Mr A W Hogarth

Registered office

Unit 5A Narrowboat Way
Hurst Business Park
Brierley Hill
West Midlands
United Kingdom
DY5 1UF

Auditor

BSN Associates Limited
Chartered Accountants & statutory auditor
3B Swallowfield Courtyard
Wolverhampton Road
Oldbury
West Midlands
B69 2JG

Alloy Wire Holdings Limited

Strategic Report

Year ended 31 March 2022

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

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

Mr M Venables

Director

Registered office:

Unit 5A Narrowboat Way

Hurst Business Park

Brierley Hill

West Midlands

United Kingdom

DY5 1UF

Alloy Wire Holdings Limited

Directors' Report

Year ended 31 March 2022

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

Directors

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

Mr M Venables

Mr A W Hogarth

Mr I Fitzgerald

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Future developments

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

Employment of disabled persons

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

Euro

The impact of Brexit has been considered generally by the company. The initial Brexit talks have not had a significant effect on the company and the directors do not consider that this position will change in the future. However, the directors continue to monitor the position.

Research and development

The group has carried out research and development activities in the year.

Financial risk management objectives and policies

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Currency risk

The group monitors currency risk closely and considers that its current policies meets its objectives of managing exposure to currency risk.

Disclosure of information in the strategic report

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

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

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

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

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

Mr M Venables

Director

Registered office:

Unit 5A Narrowboat Way

Hurst Business Park

Brierley Hill

West Midlands

United Kingdom

DY5 1UF

Alloy Wire Holdings Limited

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

Year ended 31 March 2022

Opinion

We have audited the financial statements of Alloy Wire Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 or 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We have reviewed financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations. We have audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We have also made enquiries of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Rachel Bignell ACA ACCA

(Senior Statutory Auditor)

For and on behalf of

BSN Associates Limited

Chartered Accountants & statutory auditor

3B Swallowfield Courtyard

Wolverhampton Road

Oldbury

West Midlands

B69 2JG

30 September 2022

Alloy Wire Holdings Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2022

		2022	2021
	Note	£	£
Turnover	4	12,875,655	9,188,014
Cost of sales		<u>5,200,488</u>	<u>3,735,929</u>
Gross profit		7,675,167	5,452,085
Distribution costs		576,575	360,682
Administrative expenses		3,686,277	2,741,856
Other operating income	5	<u>—</u>	<u>8,376</u>
Operating profit	6	3,412,315	2,357,923
Interest receivable	10	(216)	839
Interest payable	11	<u>15,267</u>	<u>21,878</u>
Profit before taxation		3,396,832	2,336,884
Taxation on ordinary activities	12	<u>331,844</u>	<u>229,176</u>
Profit for the financial year and total comprehensive income		3,064,988	<u>2,107,708</u>

All the activities of the group are from continuing operations.

Alloy Wire Holdings Limited

Consolidated Statement of Financial Position

31 March 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	15	2,791,717	2,784,732
Current assets			
Stocks	17	2,296,990	1,784,691
Debtors	18	2,271,681	1,689,164
Cash at bank and in hand		4,530,908	4,114,377
		9,099,579	7,588,232
Creditors: amounts falling due within one year	19	3,037,797	2,945,143
Net current assets		6,061,782	4,643,089
Total assets less current liabilities		8,853,499	7,427,821
Creditors: amounts falling due after more than one year	20	187,422	492,291
Provisions			
Taxation including deferred tax	21	81,014	92,621
Net assets		8,585,063	6,842,909
Capital and reserves			
Called up share capital	25	72,707	80,129
Share premium account	26	2,196,981	2,196,981
Capital redemption reserve	26	30,745	23,323
Profit and loss account	26	6,284,630	4,542,476
Shareholders funds		8,585,063	6,842,909

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

Mr M Venables

Director

Company registration number: 08380734

Alloy Wire Holdings Limited

Company Statement of Financial Position

31 March 2022

			2022	2021
	Note		£	£
Fixed assets				
Investments	16		8,121,402	8,121,402
Current assets				
Cash at bank and in hand		118,488		91,982
Creditors: amounts falling due within one year	19	340,113		5,042,187
		-----		-----
Net current liabilities			221,625	4,950,205
			-----	-----
Total assets less current liabilities			7,899,777	3,171,197
Creditors: amounts falling due after more than one year	20		187,422	492,291
			-----	-----
Net assets			7,712,355	2,678,906
			-----	-----
Capital and reserves				
Called up share capital	25		72,707	80,129
Share premium account	26		2,196,981	2,196,981
Capital redemption reserve	26		30,745	23,323
Profit and loss account	26		5,411,922	378,473
			-----	-----
Shareholders funds			7,712,355	2,678,906
			-----	-----

The profit for the financial year of the parent company was £ 6,356,283 (2021: £ 647,054).

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

Mr M Venables

Director

Company registration number: 08380734

Alloy Wire Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 April 2020	85,897	2,196,981	17,555	3,461,288	5,761,721
Profit for the year	-----	-----	-----	2,107,708	2,107,708
Total comprehensive income for the year	—	—	—	2,107,708	2,107,708
Dividends paid and payable 13	—	—	—	(406,254)	(406,254)
Redemption of shares	(5,768)	-----	5,768	(620,266)	(620,266)
Total investments by and distributions to owners	(5,768)	—	5,768	(1,026,520)	(1,026,520)
At 31 March 2021	80,129	2,196,981	23,323	4,542,476	6,842,909
Profit for the year	-----	-----	-----	3,064,988	3,064,988
Total comprehensive income for the year	—	—	—	3,064,988	3,064,988
Dividends paid and payable 13	—	—	—	(406,254)	(406,254)
Redemption of shares	(7,422)	-----	7,422	(916,580)	(916,580)
Total investments by and distributions to owners	(7,422)	—	7,422	(1,322,834)	(1,322,834)
At 31 March 2022	72,707	2,196,981	30,745	6,284,630	8,585,063

Alloy Wire Holdings Limited

Company Statement of Changes in Equity

Year ended 31 March 2022

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 April 2020	85,897	2,196,981	17,555	757,939	3,058,372
Profit for the year	-----	-----	-----	647,054	647,054
Total comprehensive income for the year	-----	-----	-----	647,054	647,054
Dividends paid and payable 13	-----	-----	-----	(406,254)	(406,254)
Redemption of shares	(5,768)	-----	5,768	(620,266)	(620,266)
Total investments by and distributions to owners	(5,768)	-----	5,768	(1,026,520)	(1,026,520)
At 31 March 2021	80,129	2,196,981	23,323	378,473	2,678,906
Profit for the year	-----	-----	-----	6,356,283	6,356,283
Total comprehensive income for the year	-----	-----	-----	6,356,283	6,356,283
Dividends paid and payable 13	-----	-----	-----	(406,254)	(406,254)
Redemption of shares	(7,422)	-----	7,422	(916,580)	(916,580)
Total investments by and distributions to owners	(7,422)	-----	7,422	(1,322,834)	(1,322,834)
At 31 March 2022	72,707	2,196,981	30,745	5,411,922	7,712,355

Alloy Wire Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	3,064,988	2,107,708
<i>Adjustments for:</i>		
Depreciation of tangible assets	153,120	141,737
Government grant income	—	(8,376)
Interest receivable	216	(839)
Interest payable	15,267	21,878
Gains on disposal of tangible assets	(1,142)	(2,464)
Taxation on ordinary activities	331,844	229,176
Accrued expenses	249,997	219,047
<i>Changes in:</i>		
Stocks	(512,299)	(43,947)
Trade and other debtors	(582,517)	(193,868)
Trade and other creditors	(513,887)	(197,066)
Cash generated from operations	2,205,587	2,272,986
Interest paid	(15,267)	(21,878)
Interest received	(216)	839
Tax paid	(276,929)	(121,650)
Net cash from operating activities	1,913,175	2,130,297
Cash flows from investing activities		
Purchase of tangible assets	(160,105)	(378,077)
Proceeds from sale of tangible assets	1,142	20,000
Net cash used in investing activities	(158,963)	(358,077)
Cash flows from financing activities		
Purchase of own shares	(916,580)	(620,266)
Repayments of borrowings	(14,847)	(7,061)
Government grant income	—	8,376
Dividends paid	(406,254)	(406,254)
Net cash used in financing activities	(1,337,681)	(1,025,205)
Net increase in cash and cash equivalents	416,531	747,015
Cash and cash equivalents at beginning of year	4,114,377	3,367,362
Cash and cash equivalents at end of year	4,530,908	4,114,377

Alloy Wire Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

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

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Disclosure exemptions

The group satisfies the criteria of being a qualifying small entity as defined in FRS 102 nevertheless it has chosen not to take advantage of any of the exemptions available to it.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transition. Exchange differences are taken into account in arriving at the operating profit.

Consolidation

The financial statements consolidate the financial statements of Alloy Wire Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

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

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

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

Goodwill	-	20 years Straight line
----------	---	------------------------

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

Tangible assets

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

Depreciation

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

Freehold property	-	No depreciation charged
Leasehold property improvements	-	20% straight line
Plant & Machinery	-	10%-20% Straight line
Motor vehicles	-	20% straight line

Freehold property is not depreciated as it is the policy of the board to maintain the property in a good condition with costs being charged to revenue as they are incurred. The estimated residual value of the premises would result in any depreciation charge being of little significance.

Investments

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a lowest cost price for outstanding stock and includes labour and overheads where relevant. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

Government grants

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

Provisions

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Defined contribution plans

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

Research and development

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

4. Turnover

Turnover arises from:

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

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

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

5. Other operating income

	2022	2021
	£	£
Government grant income	—	8,376

6. Operating profit

Operating profit or loss is stated after charging/crediting:

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

7. Auditor's remuneration

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

8. Particulars of employees

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

	2022	2021
	No.	No.
Production staff	19	18

Administrative staff

14

12

33

30

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

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

9. Directors' remuneration

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

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

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

	2022	2021
	No.	No.
Defined contribution plans	6	3
	----	----

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

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

10. Interest receivable

	2022	2021
	£	£
Interest on cash and cash equivalents	(216)	839
	----	----

11. Interest payable

	2022	2021
	£	£
Interest on banks loans and overdrafts	15,267	21,878
	-----	-----

12. Taxation on ordinary activities

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	344,263	231,069
Adjustments in respect of prior periods	(812)	(18,634)
	-----	-----
Total current tax	343,451	212,435
	-----	-----
Deferred tax:		
Origination and reversal of timing differences	(11,607)	16,741
	-----	-----

Taxation on ordinary activities

331,844

229,176

Reconciliation of tax expense

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

	2022	2021
	£	£
Profit on ordinary activities before taxation	3,396,832	2,336,884
Profit on ordinary activities by rate of tax	1,843,245	558,008
Adjustment to tax charge in respect of prior periods	(812)	(18,634)
Effect of expenses not deductible for tax purposes	(116)	6,471
Consolidation adjustments	(1,197,848)	(114,000)
Research and development	(312,625)	(202,669)
Tax on profit	331,844	229,176

13. Dividends

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

	2022	2021
	£	£
Dividends on equity shares	406,254	406,254

14. Intangible assets

Group

Goodwill £

Cost

At 1 April 2021 and 31 March 2022	3,380,044
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Amortisation

At 1 April 2021 and 31 March 2022	3,380,044
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Carrying amount

At 1 April 2021 and 31 March 2022	—
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At 31 March 2021	—
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The company has no intangible assets.

15. Tangible assets

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2021	2,047,248	303,088	1,626,654	49,583	4,026,573
Additions	–	84,643	75,462	–	160,105
Disposals	–	–	(23,125)	–	(23,125)
At 31 March 2022	2,047,248	387,731	1,678,991	49,583	4,163,553
Depreciation					
At 1 April 2021	1,584	93,685	1,131,069	15,503	1,241,841
Charge for the year	528	35,857	108,215	8,520	153,120
Disposals	–	–	(23,125)	–	(23,125)
At 31 March 2022	2,112	129,542	1,216,159	24,023	1,371,836
Carrying amount					
At 31 March 2022	2,045,136	258,189	462,832	25,560	2,791,717
At 31 March 2021	2,045,664	209,403	495,585	34,080	2,784,732

The company has no tangible assets.

16. Investments

The group has no investments.

Company	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 April 2021 and 31 March 2022	6,346,238	1,775,164	8,121,402
Impairment			
At 1 April 2021 and 31 March 2022	–	–	–
Carrying amount			
At 1 April 2021 and 31 March 2022	6,346,238	1,775,164	8,121,402
At 31 March 2021	6,346,238	1,775,164	8,121,402

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
Alloy Wire International Limited	Ordinary	100
Precision Shaped Wires Limited	Ordinary	100
Resistance Wires Limited	Ordinary	100

All companies are incorporated in England and Wales.

17. Stocks

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

18. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	1,702,609	1,598,076	—	—
Prepayments and accrued income	568,645	91,088	—	—
Other debtors	427	—	—	—
	2,271,681	1,689,164	—	—

19. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	671,850	978,122	—	—
Amounts owed to group undertakings	—	—	—	4,704,458
Accruals and deferred income	1,592,100	1,342,103	18,696	18,696
Corporation tax	222,963	156,441	12,270	11,388
Social security and other taxes	245,567	148,176	3,830	4,000
Director loan accounts	—	14,847	—	—
Other creditors	305,317	305,454	305,317	303,645
	3,037,797	2,945,143	340,113	5,042,187

Included within other creditors is an amount of £181,641 (2021: £182,033) due to HSBC within one year, secured against property owned by the company accruing interest at the base rate plus 1.95%. An unsecured loan of £123,676 (2021: £121,612) is also due to HSBC accruing interest at 2.5% above the base rate.

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other creditors	187,422	492,291	187,422	492,291

Included within other creditors is an amount of £112,948 (2021: £294,314) due to HSBC in more than one year, secured against property owned by the company accruing interest at the base rate plus 1.95%. An unsecured loan of £74,474 (2021: £197,977) is also due to HSBC accruing interest at 2.5% above the base rate. Both loans are to be repaid by October 2023.

21. Provisions

Group	Deferred tax (note 22) £
At 1 April 2021	92,621
Additions	(11,607)
At 31 March 2022	81,014

The company does not have any provisions.

22. Deferred tax

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 21)	81,014	92,621	—	—
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The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	81,014	92,621	—	—
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23. Employee benefits

Defined contribution plans

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

24. Government grants

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	—	8,376	—	—
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25. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £ 1 each	72,707	72,707	80,129	80,129
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26. Reserves

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

27. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	4,114,377	416,531	4,530,908
Debt due within one year	(14,847)	14,847	—
	<u>4,099,530</u>	<u>431,378</u>	<u>4,530,908</u>

28. Commitments under operating leases

As lessee

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	3,380	8,443	—	—
Later than 1 year and not later than 5 years	4,225	6,760	—	—
	<u>7,605</u>	<u>15,203</u>	<u>—</u>	<u>—</u>

As lessor

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	—	—	80,000	80,000
Later than 1 year and not later than 5 years	—	—	320,000	320,000
Later than 5 years	—	—	120,000	200,000
	<u>—</u>	<u>—</u>	<u>520,000</u>	<u>600,000</u>

29. Directors' advances, credits and guarantees

At the year end the group owed Mr M Venables £Nil (2021: £8,754) and Mr I Fitzgerald £Nil (2021: £6,093) During the year the group paid a dividend of £119,221 (2021: £119,221) to Mr M Venables , £119,221 (2021: £119,221) to Mr A Hogarth and £40,981 (2021: £40,981) to Mr I Fitzgerald all of which are directors of the group.

30. Related party transactions

Company

Exemption has been taken under FRS102 from disclosing transactions with the subsidiary companies as consolidated accounts are prepared incorporating all subsidiary companies.

31. Controlling party

The group was under the control of Mr M. Venables, Mr A. Hogarth and Mr I.Fitzgerald in the current year and previous year.

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