

M&I MATERIALS
Specialist Materials for Industry & Science

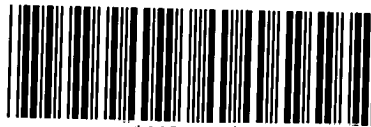
M&I Materials Limited

Annual Report and Consolidated Financial Statements

For the year ended:

31/03/2021

SATURDAY



AAJMQG0

A21

18/12/2021

#13

COMPANIES HOUSE

APIEZON



METROSIL

[MIDEL]

MIVOLT

WOLFMET****

mimaterials.com

Registered Number: 02772838

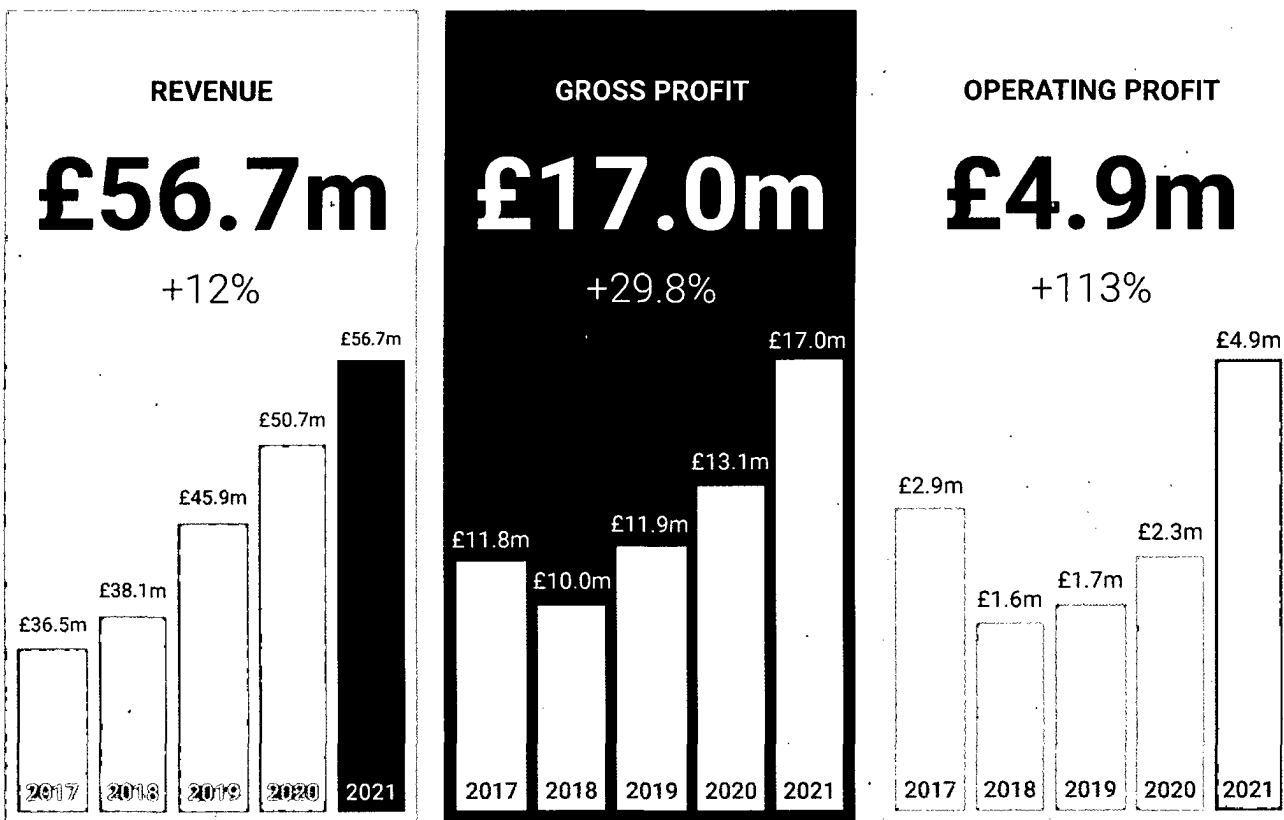
Company Information

Directors	C J Salt G J Salt E C M Salt-Melis S P Sheard
Company secretary	E C M Salt-Melis
Registered number	02772838
Registered office	Hibernia Way Trafford Park Manchester Greater Manchester M32 0ZD
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD

Contents

	Page
Performance & Operational Highlights	1
Sustainable Development	2
Group strategic report	3 - 4
Directors' report	5 - 7
Independent auditors' report	8 - 11
Consolidated statement of comprehensive income	12
Consolidated balance sheet	13
Company balance sheet	14 - 15
Consolidated statement of changes in equity	16 - 17
Company statement of changes in equity	18
Consolidated Statement of cash flows	19 - 20
Analysis of net debt	21
Notes to the financial statements	22 - 40

Performance & Operational Highlights



Improved financial performance reflects our position within attractive growth markets.



Global sustainability agenda strengthens the growth drivers for our key markets.

Sustainable Development

In line with growing expectations in our key markets, a core tenet of our business strategy is to incorporate sustainability considerations into our business processes and decision making.

- 1** Environmental Matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.
- 2** Greenhouse gas emissions, energy efficiency action and energy consumption

M&I Materials report energy and carbon data for the year ended 31st March 2021 in accordance with Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.
- 3** Quantification and Reporting Methodology

To prepare this report, we have followed the UK Government Environmental Reporting Guidelines 2019, the GHG Reporting Protocol Corporate Accounting and Reporting Standard, and used emission factors from the UK Government's CHC Conversion Factors for Company Reporting 2020 and 2021. We have used the financial control approach to set our organisational boundary.
- 4** UK energy use and greenhouse gas emissions

We have measured and reported on the majority of M&I Materials' scope 1 and scope 2 greenhouse gas emissions. Where we have been unable to measure and report emissions, we plan to improve our data collection in the coming 2021/22 financial year to complete the scope of our reporting in the future. The data we are unable to report at this time is the fuel used by vehicles operated for business use/business travel and the associated greenhouse gas emissions. The Group's greenhouse gas emissions and energy consumption are as follows:

2020/21	UK Energy Use	Greenhouse Gas Emissions
Scope 1 (Direct Emissions)	14.7 GWh	2,646 tonnes CO ₂ e
Scope 2 (Indirect Emissions)	4.2 GWh	971 tonnes CO ₂ e
2020/21 Total	18.9 GWh	3,617 tonnes CO ₂ e
Intensity Ratio (Tonnes of CO ₂ e per £1m of Turnover)		63.8

M&I Materials Limited
GROUP STRATEGIC REPORT
For the year ended 31 March 2021

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

Business review

It has been an exceptional year having to manage our way through the challenges of the COVID pandemic and also Brexit. The team responded quickly and effectively to COVID, ensuring we could continue to supply our customers whilst prioritising the health and safety of our employees. Many switched to working from home and for those that were needed on site, COVID secure working practices were adopted. The business saw growth in some sectors and a reduction in others, and unfortunately some redundancies had to be made in areas of decline. With regard to Brexit, careful planning meant that disruption was minimal. Over the course of the year, despite the challenges the business responded extremely well and indeed, financial performance improved.

In the year to 31 March 2021 turnover was £56,658,503 (2020: £50,616,179) and operating profit was £4,912,775 (2020: £2,306,340).

Financial key performance indicators are shown below:

	2021	2020
	£'000	£'000
Turnover	56,658	50,616
Gross profit	17,042	13,135
Operating profit	4,913	2,306
Net assets	21,143	19,492
Bank balance	8,447	6,345

Turnover increased by just under 12.0% on the prior year despite the challenges from COVID 19 and global logistics issues. We saw strong revenue growth across all energy related sectors which more than offset the lower contribution from our aerospace sector sales where our end customers were more significantly impacted by covid related disruptions. At a regional level we saw continued strong growth in revenue in China and the Middle East and overall other regions remained stable compared to the prior year.

Operating profit grew by 113.1% in the year. This reflects the operational leverage from increased sales, lower material costs coupled with the favourable impact from profit improvement programmes.

In the first quarter of the year with markets still fragile we undertook several initiatives to enhance financial resiliency. We initially utilised the UK Government's Job Retention Scheme ("Furlough"), however, as conditions and markets improved, and our financial position strengthened, we chose to repay Furlough support to allow it to be used for those in more need.

Looking ahead, in the short term, sales are forecast to remain stable however year on year profitability is projected to fall primarily driven by commodity headwinds that are adversely increasing raw material costs. There is a concerning disruption in global logistics which is likely to impact across industry. The business continues to invest for the long term, to generate incremental sales on a global basis, to seek out innovations in terms of product and application development and to improve our manufacturing capability.

M&I Materials Limited
GROUP STRATEGIC REPORT
For the year ended 31 March 2021 (continued)

Directors' statement of compliance with duty to promote the success of the Group

M&I Materials prepares both long term and annual plans which are reviewed during the year by the Board for progress. To further promote the continued long term success of the organisation, we actively engage with our stakeholders this allows us to grow and execute our strategy; we consider the impact we have on them as well as what they consider important when developing our plans for future success. M&I Materials employees are its key to success, and we actively engage through regular communication forums and surveys. We participate with our customers in technical and commercial collaborations whilst with wider industry we are active in trade associations and in the setting of industry standards. We collaborate with Innovate UK and academia globally to promote technological understanding.

As part of its long term growth strategy M&I Materials recognises its responsibility and role to help create a more sustainable future for all. We work with our customers, supply chain and other stakeholders to determine how best we can fulfil our responsibilities in relation to Environmental, Societal and Governance objectives. Products we offer can support our customers in meeting their responsibilities and we continually evaluate the way in which we operate to optimise the impact we have.

Principal risks and uncertainties

M&I Materials robust performance coupled with its diversified portfolio of products and end market sectors demonstrate the resilience of the M&I Materials business model. This should position the business to progress despite currency and material headwinds from the ongoing uncertainties as global economies recover at different rates from COVID.

The business maintains its position of prioritising the health and wellbeing of its employees and is evolving its work practices in line with emerging regional requirements.

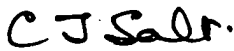
The group trades in Sterling, US dollars and Euros, and is exposed to exchange movements. The company attempts to establish natural currency hedges between purchases and sales wherever commercially possible. The group manages the remaining net transactional exposure by making internal projections of expected currency trading transactions and using a layered approach executes forward exchange contracts based upon advice from the company's bankers. The accounts have been prepared under FRS 102 accounting standards. FRS 102 requires that all outstanding foreign exchange contracts be recognised at fair value with any changes in fair value recognised in profit or loss.

The group carries out an annual risk register review of all major risks the business faces and takes action to mitigate risk where it is appropriate to do so. Where any subsequent net risk exposure is deemed to be high, insurance is considered to minimise any impact should an unforeseen event occur.

Other key performance indicators

The group uses a range of financial and non financial measures to monitor its performance against its strategic plans. The indicators cover Health & Safety, Environment, Customer Satisfaction, Employee Development, Financial Performance, Operations Performance and Fulfilment, Quality and Innovation. These indicators provide the Board and Executive Management with leading indicators of future performance.

This report was approved by the board and signed on its behalf.


.....
C J Salt
Director

Date: 16 December 2021

M&I Materials Limited
DIRECTORS' REPORT
For the year ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £4,484,545 (2020: £2,243,376).

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

C J Salt
G J Salt
E C M Salt Melis
S P Sheard

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

M&I Materials Limited
DIRECTORS' REPORT
For the year ended 31 March 2021

Future developments

No significant change in the principle activities of the Group is expected in the foreseeable future.

Financial instruments

The group's approach to the use of financial instruments is addressed in the Strategic Report.

Research and development opportunities

The group continues to invest in research and development with the purpose of creating products for resale.

Greenhouse gas emissions, energy consumption and energy efficiency action

M&I Materials report energy and carbon data for the year ended 31st March 2021 in accordance with Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Quantification and Reporting Methodology

To prepare this report, we have followed the UK Government Environmental Reporting Guidelines 2019, the GHG Reporting Protocol Corporate Accounting and Reporting Standard, and used emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 and 2021. We have used the financial control approach to set our organisational boundary.

UK energy use and greenhouse gas emissions

We have measured and reported on the majority of M&I Materials' scope 1 and scope 2 greenhouse gas emissions. Where we have been unable to measure and report emissions, we plan to improve our data collection in the coming 2021/22 financial year to complete the scope of our reporting in the future. The data we are unable to report at this time is the fuel used by vehicles operated for business use/business travel and the associated greenhouse gas emissions.

The Group's greenhouse gas emissions and energy consumption are as follows:

2020/21	UK energy use	Greenhouse gas emissions
Scope 1 (Direct emissions)	14.7 GWh	2,646 tonnes CO ₂ e
Scope 2 (Indirect emissions)	4.2 GWh	971 tonnes CO ₂ e
2020/21 Total	18.9 GWh	3,617 tonnes CO₂e
Intensity ratio (Tonnes of CO ₂ e per £1m of Turnover)		63.8

Methodology used

We have used the World Business Council for Sustainable Development/World Resources Institute Greenhouse Gas Reporting Protocol Corporate Accounting and Reporting Standard (revised edition), and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 and 2021.

Scope 2 emissions above have been reported using the location-based method for the UK. M&I Materials purchase 100% renewable electricity via a power purchase agreement (PPA). All the electricity purchased is Renewable Energy Guarantees of Origin (REGO) backed. The electricity supplier advises that using the market based method, M&I Materials' scope 2 emissions are zero.

M&I Materials Limited
DIRECTORS' REPORT
For the year ended 31 March 2021 (continued)

Energy efficiency measures

M&I Materials seeks to improve energy efficiency on an ongoing basis in accordance with our Environmental Policy Statement. In the year 2020/21 this has included the following measures:

- Installation of Solar panels
- Office lighting has been changed to more energy efficient LED bulbs
- Timers installed on air conditioning units to reduce energy usage
- Mixer taps installed on the domestic supplies to reduce water usage

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

CJ Salt

.....
C J Salt
Director

Date: *16 December 2021*

M&I Materials Limited
INDEPENDENT AUDITORS' REPORT
to the Members of M & I Materials Limited

Opinion

We have audited the financial statements of M & I Materials Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group and Company statement of changes in equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 auditors' 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

M&I Materials Limited
INDEPENDENT AUDITORS' REPORT
to the Members of M & I Materials Limited (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group 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 group 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 set out on page 21, 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

M&I Materials Limited
INDEPENDENT AUDITORS' REPORT
to the Members of M & I Materials Limited (continued)

expected to influence the economic decisions of users taken on the basis of these Group 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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

M&I Materials Limited
INDEPENDENT AUDITORS' REPORT
to the Members of M & I Materials Limited (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Hurst Accountants Limited

Anthony Woodings (senior statutory auditor)
for and on behalf of

Hurst Accountants Limited

Chartered Accountants & Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

SK1 1TD

Date: *16 December 2021*

M&I Materials Limited
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	56,658,503	50,616,179
Cost of sales		(39,616,447)	(37,480,575)
Gross profit		17,042,056	13,135,604
Distribution costs		(6,693,600)	(8,064,542)
Administrative expenses		(5,569,745)	(2,926,001)
Other operating income	5	134,064	161,279
Operating profit	6	4,912,775	2,306,340
Interest receivable and similar income	10	521	5,093
Interest payable and expenses	11	(48,327)	(78,925)
Profit before taxation		4,864,969	2,232,508
Tax on profit	12	(380,424)	10,868
Profit for the financial year		4,484,545	2,243,376
Gain/(loss) on foreign exchange		166,038	38,705
Other comprehensive income for the year		166,038	38,705
Total comprehensive income for the year		4,650,583	2,282,081
Profit for the year attributable to:			
Owners of the parent Company		4,484,545	2,243,376

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
CONSOLIDATED BALANCE SHEET
As at 31 March 2021
Registered number: 02772838

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	13	8,854,777	9,468,520
Current assets			
Stocks	15	6,796,496	6,158,511
Debtors: amounts falling due within one year	16	10,604,865	9,702,010
Cash at bank and in hand	17	8,447,208	6,345,424
		<u>25,848,569</u>	<u>22,205,945</u>
Creditors: amounts falling due within one year	18	(12,024,842)	(10,377,146)
Net current assets		<u>13,823,727</u>	<u>11,828,799</u>
Total assets less current liabilities		<u>22,678,504</u>	<u>21,297,319</u>
Creditors: amounts falling due after more than one year	19	(1,317,431)	(1,524,641)
Provisions for liabilities			
Deferred taxation	22	(217,910)	(280,743)
Net assets		<u>21,143,163</u>	<u>19,491,935</u>
Capital and reserves			
Called up share capital	23	881	881
Capital redemption reserve	24	120	120
Foreign exchange reserve	24	217,789	51,106
Profit and loss account	24	20,924,373	19,439,828
		<u>21,143,163</u>	<u>19,491,935</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C J Salt.

.....
C J Salt
 Director

Date: 16 December 2021

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
COMPANY BALANCE SHEET
As at 31 March 2021
Registered number: 02772838

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	8,439,983	8,744,065
Investments	14	16,028	16,028
		8,456,011	8,760,093
Current assets			
Stocks	15	6,117,946	5,287,294
Debtors: amounts falling due within one year	16	12,457,356	12,887,003
Cash at bank and in hand	17	7,569,720	6,036,023
		26,145,022	24,210,320
Creditors: amounts falling due within one year	18	(11,888,559)	(10,283,714)
Net current assets		14,256,463	13,926,606
Total assets less current liabilities		22,712,474	22,686,699
Creditors: amounts falling due after more than one year	19	(1,317,431)	(1,524,641)
Provisions for liabilities			
Deferred taxation	22	(217,910)	(280,743)
Net assets		21,177,133	20,881,315

M&I Materials Limited
COMPANY BALANCE SHEET
As at 31 March 2021 (continued)
Registered number: 02772838

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	23	881	881
Capital redemption reserve	24	120	120
Dividends paid		(3,000,000)	(1,999,998)
Profit and loss account carried forward		21,176,132	20,880,314
		<u>21,177,133</u>	<u>20,881,315</u>

The company profit after tax for the year was £3,059,864 (2020: £2,301,629).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C J Salt
.....
C J Salt
Director

Date: *16 December 2021*

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Called up share capital	Capital redemption reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	881	120	51,106	19,439,828	19,491,935
Comprehensive income for the year					
Profit for the year	-	-	-	4,484,545	4,484,545
Movement on foreign exchange	-	-	166,683	-	166,683
Other comprehensive income for the year	-	-	166,683	-	166,683
Total comprehensive income for the year	-	-	166,683	4,484,545	4,651,228
Dividends: Equity capital	-	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	-	(3,000,000)	(3,000,000)
At 31 March 2021	881	120	217,789	20,924,373	21,143,163

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Called up share capital	Capital redemption reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	881	120	12,401	19,196,450	19,209,852
Comprehensive income for the year					
Profit for the year	-	-	-	2,243,376	2,243,376
Movement on foreign exchange	-	-	38,705	-	38,705
Other comprehensive income for the year	-	-	38,705	-	38,705
Total comprehensive income for the year	-	-	38,705	2,243,376	2,282,081
Dividends: Equity capital	-	-	-	(1,999,998)	(1,999,998)
Total transactions with owners	-	-	-	(1,999,998)	(1,999,998)
At 31 March 2020	881	120	51,106	19,439,828	19,491,935

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	881	120	20,880,314	20,881,315
Comprehensive income for the year				
Profit for the year	-	-	3,295,818	3,295,818
Total comprehensive income for the year	-	-	3,295,818	3,295,818
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	(3,000,000)	(3,000,000)
At 31 March 2021	881	120	21,176,132	21,177,133

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	881	120	20,578,683	20,579,684
Comprehensive income for the year				
Profit for the year	-	-	2,301,629	2,301,629
Total comprehensive income for the year	-	-	2,301,629	2,301,629
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,999,998)	(1,999,998)
	-	-	(1,999,998)	(1,999,998)
Total transactions with owners	881	120	20,880,314	20,881,315

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	4,484,545	2,243,376
Adjustments for:		
Depreciation of tangible assets	1,340,799	1,276,377
Loss on disposal of tangible assets	80,722	41,372
Government grants	(128,497)	(160,068)
Interest paid	48,327	78,925
Interest received	(521)	(5,093)
Taxation charge	380,424	(10,868)
(Increase) in stocks	(637,985)	(205,289)
(Increase)/decrease in debtors	(812,640)	940,002
Increase/(decrease) in creditors	3,538,251	(1,229,609)
Corporation tax (paid)	(123,674)	(10,668)
Net cash generated from operating activities	8,169,751	2,958,457
Cash flows from investing activities		
Purchase of tangible fixed assets	(908,076)	(786,269)
Sale of tangible fixed assets	100,298	103,218
Government grants received	128,497	160,068
Interest received	521	5,093
Net cash from investing activities	(678,760)	(517,890)
Cash flows from financing activities		
Repayment of loans	(144,666)	(137,832)
Dividends paid	(3,000,000)	(1,999,998)
Interest paid	(48,327)	(78,925)
Net cash used in financing activities	(3,192,993)	(2,216,755)

M&I Materials Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2021 (continued)

	2021 £	2020 £
Net increase in cash and cash equivalents	4,297,998	223,812
Cash and cash equivalents at beginning of year	3,981,809	3,719,292
Foreign exchange gains and losses	166,683	38,705
Cash and cash equivalents at the end of year	8,446,490	3,981,809
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,447,208	6,345,424
Bank overdrafts	(718)	(2,363,615)
	8,446,490	3,981,809

The notes on pages 22 to 40 form part of these financial statements.

M&I Materials Limited
CONSOLIDATED ANALYSIS OF NET DEBT
For the year ended 31 March 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	6,345,424	2,101,784	8,447,208
Bank overdrafts	(2,363,615)	2,362,897	(718)
Debt due after 1 year	(1,229,666)	144,666	(1,085,000)
Debt due within 1 year	(144,667)	-	(144,667)
Liquid investments	(159,372)	249,587	90,215
	<u>2,448,104</u>	<u>4,858,934</u>	<u>7,307,038</u>

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. General information

M & I Materials Limited is a private company limited by share capital, incorporated in England and Wales, company number 02772838. The address of the registered office and principal place of business is: Hibernia Way, Trafford Park, Manchester, M32 0ZD. The principal activity of the group is the development, manufacture and sale of Apiezon Performance Chemicals, Metrosil Ceramic Resistors, Midel Dielectric Fluids, Wolfmet Tungsten Alloys and MiVolt Liquid Immersion Cooling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures of the parent company financial statements have been applied:

No separate parent company Cash Flow Statement has been presented in line with the exemptions allowed under FRS 102.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. Accounting policies (continued)

2.5 Research and development

Research and development expenditure is recognised as an expense in the year in which it is incurred.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 25 years
Plant and machinery	- 3 to 10 years
Fixtures and fittings	- 3 to 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. Accounting policies (continued)

2.10 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated profit and loss account.

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is an 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.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key sources of estimation, uncertainty and critical accounting judgements in applying the company's policies are as follows;

Provision for obsolete and slow moving stock

The group reviews its stocks to assess loss on account for obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the income statement, the group makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the estimated net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than the cost based on best estimates by the management. The provision for obsolescence of stock is based on the ageing and historical sales pattern. As at 31 March 2021 the stock held by the group totalled £6,796,496 (2020: £6,158,511).

4. Recoverability of trade debtors

The group has recognised trade debtors with a carrying value of £9,094,771 (2020: £8,113,992). The recoverability of trade debtors is regularly reviewed in the light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable.

5. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,427,593	2,932,651
Rest of the world	54,230,910	47,683,528
	<u>56,658,503</u>	<u>50,616,179</u>

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

5. Other operating income

	2021	2020
	£	£
Other operating income	5,567	1,211
Government grants receivable	128,497	160,068
	134,064	161,279

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Research & development charged as an expense	1,113,560	1,050,000
Exchange differences	1,146,047	(89,391)
Depreciation and impairment	1,340,799	1,276,377
	1,340,799	1,276,377

7. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	9,260	9,000
	9,260	9,000

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	26,750	26,000
Taxation compliance services	3,090	3,000
Other services relating to taxation	10,770	9,650
All other services	3,010	2,700
	3,010	2,700

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	<i>Group 2020 £</i>
Wages and salaries	7,530,097	7,280,843
Social security costs	649,026	634,371
Cost of defined contribution scheme	317,538	290,828
	<u>8,496,661</u>	<u>8,206,042</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	<i>2020 No.</i>
Commercial, technical and administration	72	85
Production	86	91
	<u>158</u>	<u>176</u>

9. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	532,561	475,510
Company contributions to defined contribution pension schemes	14,455	14,575
	<u>547,016</u>	<u>490,085</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £329,381 (2020 - £258,030).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2020 - £10,175).

M&I Materials Limited
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2021

10. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>521</u>	<u>5,093</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	<u>48,327</u>	<u>78,925</u>

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	277,762	42,755
Adjustments in respect of previous periods	158,011	(144,911)
	<u>435,773</u>	<u>(102,156)</u>
Foreign tax		
Foreign tax on income for the year	7,484	12,252
	<u>7,484</u>	<u>12,252</u>
Total current tax	<u>443,257</u>	<u>(89,904)</u>
Deferred tax		
Origination and reversal of timing differences	(62,833)	79,036
Total deferred tax	<u>(62,833)</u>	<u>79,036</u>
Taxation on profit/(loss) on ordinary activities	<u>380,424</u>	<u>(10,868)</u>

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

12. Taxation (continued)
Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>4,864,969</u>	<u>2,232,508</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	924,344	424,177
Effects of:		
Depreciation on non-qualifying assets	12,441	11,468
Effect of tax rates in foreign jurisdictions	7,484	12,252
Non-deductible expenses	(806)	6,093
Under/(over) provided in prior years	158,011	(144,911)
Adjustments to tax charge in respect of prior periods	(13,824)	-
FRS102 transitional adjustment	4,355	4,355
Short term timing difference leading to an increase (decrease) in taxation	-	23,730
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(268,639)	(245,436)
Double taxation relief	(3,892)	(4,777)
Unrelieved loss on foreign subsidiaries	(225,858)	192,791
Patent box deductions	(213,192)	(290,610)
Total tax charge for the year	<u><u>380,424</u></u>	<u><u>(10,868)</u></u>

Factors that may affect future tax charges

The main rate of corporation tax is due to increase to 25% in the tax year commencing 1 April 2023 for companies where profits exceed £250,000. A tapered rate will be introduced for profits above £50,000 up to £250,000 limit.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

13. Tangible fixed assets
Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2020	3,397,837	18,008,117	1,663,778	23,069,732
Additions	-	846,849	61,227	908,076
Disposals	-	(202,028)	(32,164)	(234,192)
At 31 March 2021	<u>3,397,837</u>	<u>18,652,938</u>	<u>1,692,841</u>	<u>23,743,616</u>
Depreciation				
At 1 April 2020	611,851	11,602,966	1,386,395	13,601,212
Charge for the year	99,513	1,187,743	53,543	1,340,799
Disposals	-	(28,528)	(24,644)	(53,172)
At 31 March 2021	<u>711,364</u>	<u>12,762,181</u>	<u>1,415,294</u>	<u>14,888,839</u>
Net book value				
At 31 March 2021	<u>2,686,473</u>	<u>5,890,757</u>	<u>277,547</u>	<u>8,854,777</u>
At 31 March 2020	<u>2,785,986</u>	<u>6,405,151</u>	<u>277,383</u>	<u>9,468,520</u>

Included in freehold property is freehold land valued at historic cost of £910,000 (2020: £910,000), which is not depreciated.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

13. Tangible fixed assets (continued)
Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2020	3,397,837	17,163,458	1,653,519	22,214,814
Additions	-	811,772	61,227	872,999
Disposals	-	(81,393)	(23,644)	(105,037)
At 31 March 2021	<u>3,397,837</u>	<u>17,893,837</u>	<u>1,691,102</u>	<u>22,982,776</u>
Depreciation				
At 1 April 2020	611,851	11,473,173	1,385,725	13,470,749
Charge for the year	99,513	952,658	52,150	1,104,321
Disposals	-	(8,633)	(23,644)	(32,277)
At 31 March 2021	<u>711,364</u>	<u>12,417,198</u>	<u>1,414,231</u>	<u>14,542,793</u>
Net book value				
At 31 March 2021	<u>2,686,473</u>	<u>5,476,639</u>	<u>276,871</u>	<u>8,439,983</u>
At 31 March 2020	<u>2,785,986</u>	<u>5,690,285</u>	<u>267,794</u>	<u>8,744,065</u>

Included in freehold property is freehold land valued at historic cost of £910,000 (2020: £910,000), which is not depreciated.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

14. Fixed asset investments

Company

Cost or valuation	Investments in subsidiary companies £
At 1 April 2020	16,028
At 31 March 2021	<u>16,028</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Apiezon Products Limited	Hibernia Way, Trafford Park, M32 0ZD	Dormant	Ordinary	99%
M&I Materials Inc	800 Brazos, Suite 400, Texas 78701	Sale of goods	Ordinary	99.99%
M&I Materials India Private Limited	Unit No. 504, 5th Floor, Elegance Tower, New Delhi 110025	Sale of goods	Ordinary	100%
M&I Materials Midel Inc	800 Brazos, Suite 400, Texas 78701	Dormant	Ordinary	100%
MI Materials South Africa (Pty) Limited	2 Alexandra Avenue, Craighall, Sandton, Gauteng 2196	Sale of goods	Ordinary	100%

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

15. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Raw materials and consumables	1,943,266	732,722	1,890,634	653,295
Work in progress (goods to be sold)	1,260,762	1,056,446	1,244,969	1,056,446
Finished goods and goods for resale	3,592,468	4,369,343	2,982,343	3,577,553
	<u>6,796,496</u>	<u>6,158,511</u>	<u>6,117,946</u>	<u>5,287,294</u>

An impairment gain of £371,255 (2020: charge of £8,646) was recognised in cost of sales in respect of adjustments made to the provision for slow moving and obsolete stock.

16. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade debtors	9,094,771	8,113,992	8,904,022	7,675,415
Amounts owed by group undertakings	-	-	2,092,558	3,725,122
Other debtors	1,122,152	1,169,787	1,099,211	1,110,722
Prepayments and accrued income	297,727	418,231	271,350	375,744
Financial instruments	90,215	-	90,215	-
	<u>10,604,865</u>	<u>9,702,010</u>	<u>12,457,356</u>	<u>12,887,003</u>

An impairment gain of £31,735 (2020: loss of £156,438) was recognised against trade debtors.

17. Cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Cash at bank and in hand	8,447,208	6,345,424	7,569,720	6,036,023
Less: bank overdrafts	(718)	(2,363,615)	(718)	(2,363,604)
	<u>8,446,490</u>	<u>3,981,809</u>	<u>7,569,002</u>	<u>3,672,419</u>

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

18. Creditors: Amounts falling due within one year

	Group		Company	
	2021	<i>Group</i>	2021	<i>Company</i>
	£	2020	£	2020
		£		£
Bank overdrafts	718	2,363,615	718	2,363,604
Bank loans	144,667	144,667	144,667	144,667
Trade creditors	6,384,179	3,996,512	6,381,737	3,957,422
Amounts owed to group undertakings	-	-	44,340	225,987
Corporation tax	434,842	115,259	434,842	115,259
Other taxation and social security	184,220	179,330	171,704	177,639
Other creditors	4,010,701	2,537,113	3,935,664	2,483,694
Accruals and deferred income	865,515	881,278	774,887	656,070
Financial instruments	-	159,372	-	159,372
	12,024,842	10,377,146	11,888,559	10,283,714

Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park, Manchester.

19. Creditors: Amounts falling due after more than one year

	Group		Company	
	2021	<i>Group</i>	2021	<i>Company</i>
	£	2020	£	2020
		£		£
Bank loans	1,085,000	1,229,666	1,085,000	1,229,666
Accruals and deferred income	232,431	294,975	232,431	294,975
	1,317,431	1,524,641	1,317,431	1,524,641

Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park, Manchester.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

20. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	144,667	144,667	144,667	144,667
Amounts falling due 1-2 years				
Bank loans	144,667	144,667	144,667	144,667
Amounts falling due 2-5 years				
Bank loans	434,000	434,000	434,000	434,000
Amounts falling due after more than 5 years				
Bank loans	506,333	650,999	506,333	650,999
	<u>1,229,667</u>	<u>1,374,333</u>	<u>1,229,667</u>	<u>1,374,333</u>

The bank loans are repayable in equal quarterly instalments over the period to May 2029. Interest is charged on the loan at 1.15% plus LIBOR. Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park.

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Derivative financial instrument measured at fair value through profit or loss	<u>90,215</u>	-	<u>90,215</u>	-
Financial liabilities				
Derivative financial instrument measured at fair value through profit or loss	-	<u>(159,372)</u>	-	<u>(159,372)</u>

Derivative financial instruments measured at fair value through profit or loss comprise of fair value gains/(losses) on forward contracts.

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

22. Deferred taxation

Group

	2021 £
At beginning of year	(280,743)
Credited to profit or loss	62,833
At end of year	<u><u>(217,910)</u></u>

Company

	2021 £
At beginning of year	(280,743)
Credited to profit or loss	62,833
At end of year	<u><u>(217,910)</u></u>

The provision for deferred taxation is made up as follows:

	Group 2021 £	<i>Group</i> <i>2020</i> £	Company 2021 £	<i>Company</i> <i>2020</i> £
Accelerated capital allowances	(478,801)	(409,071)	(478,801)	(409,071)
Other timing differences	260,891	128,328	260,891	128,328
	<u><u>(217,910)</u></u>	<u><u>(280,743)</u></u>	<u><u>(217,910)</u></u>	<u><u>(280,743)</u></u>

M&I Materials Limited
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 March 2021

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
880 (2020 - 880) Ordinary A shares of £1.00 each	880	880
100 (2020 - 100) Ordinary B shares of £0.01 each	1	1
1 (2020 - 1) Ordinary C share of £0.01	-	-
	881	881

Ordinary A shares have attached to them 49% on aggregate of voting rights, dividends and capital distribution.

Ordinary B shares have attached to them non-voting rights, dividend and capital distribution.

Ordinary C shares have attached to them 51% on aggregate of voting rights, the shares carry no dividend or capital distribution.

24. Reserves

Capital redemption reserve

Comprises the nominal value of own shares purchased by the company.

Foreign exchange reserve

Comprises foreign exchange adjustments arising on retranslation of foreign subsidiaries.

Profit and loss account

Comprises all current and prior year retained profits and losses.

25. Capital commitments

At 31 March 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	1,873,472	59,415	1,873,472	59,415

M&I Materials Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £317,538 (2020: £290,828). Contributions totalling £67,767 (2020: £28,076) were payable to the fund at the balance sheet date and are included in creditors.

27. Related party transactions

The directors have chosen not to disclose transactions entered into with other companies wholly owned within the group as permitted under FRS 102 paragraph 33.1A.

The group consider key management personnel to be the directors. See note 10 for director's remuneration.

28. Controlling party

This is the largest group in which the results of the company and its group are consolidated and no other group financial statements include the results of the company.

The company's ultimate controlling party is C Salt, a director of the company.