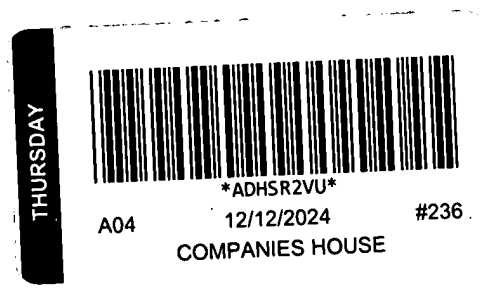


Company registration number 10687859 (England and Wales)

**ALLOYED LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**



# ALLOYED LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Dr F Adziman W Goodlad Mr M Holmes M King K Nose Prof. R Reed K Marukawa Z Faizal-Khoo
<b>Company number</b>	10687859
<b>Registered office</b>	Unit 15 Oxford Pioneer Park Mead Road Yarnton Oxfordshire OX5 1QU
<b>Auditor</b>	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton SO14 3TL

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# ALLOYED LIMITED

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# ALLOYED LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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The directors present the strategic report for the year ended 31 March 2024.

#### Strategic and business review

Alloyed's ambition is to become the business to which the world comes for the design and manufacture of the most advanced metallic components. With this aim, it develops, operates, and applies world-leading digital platforms for the design of better alloys – for use with any form of making metal components - and the design, processing, and fabrication of better alloy components, currently by additive manufacture (AM) but ultimately by a wide range of digital production processes.

It serves industrial, electronics, medical, and consumer markets. In the medical sector, its customers are orthopaedic surgeons seeking to improve patient implants through the use of patient-specific implants; elsewhere, its customers are large corporates motivated by the opportunities the Alloyed technology provides for stronger, lighter, more functionally dense components.

With large corporate customers, Alloyed's engagement normally starts off with non-recurring engineering projects before leading, Alloyed intends, to the serial production of components. The year to 31 March 2024 saw notable progress towards this transition and building recurring revenue from the supply of differentiated components:

Highlights of the year on which the Company can comment publicly included:

- A year-on-year total income increase of 71% to £12.9m (combining Turnover and Other Operating Income), on a considerably lower level of cost growth (Cost of Sales plus Admin expenses up only 23% to £25.7m (2023 £20.9m))
- The opening and AS9100D aerospace certification of its production site in Seattle and the commencement of the supply of flight components to a major US customer from that site;
- Successful commencement and accelerated transition to the second phase of a major project on ultra-high-temperature metallic components sponsored by the Advanced Research Projects Agency of the US Department of Energy.
- The agreement of an £11.5m convertible loan from a combination of new and existing investors of which £9.5m was received during the year.

#### Key metrics

As a customer-driven technology business, Alloyed gauges its success first and foremost by the whether its customers are satisfied with the work Alloyed has conducted for them and whether its technology development programmes meet their stated objectives. It takes particular care to ensure its customer and in-house projects are scoped carefully, have clear objectives, and carry an appropriate level of risk. At the end of projects, it conducts reviews to measure projects against objectives.

Financially, it seeks to grow turnover by 50-100% a year, improve its margin on mature projects by 10% each year, and grow its R&D and central costs at least 50% slower than turnover. Against these objectives, we continued to make strong progress with performance in the year to 31 March 2024 as follows:

- Growth in Turnover to £10.3m (2023: £6.7m): +55% (+71% including Other operating income, principally Government Grants)
- Gross Profit % increased from 37.3% to 49.1% of Turnover - an increase of 32%
- Administrative Expenses (incl R&D) increased from £16.7m to £20.4m – an increase of 22% .

As a consequence of the lower rate of growth of cash costs than turnover, as well as reduced capex, cash outflow from operating activities improved over the prior year by 33% to £5.5m (2023 £8.2m).

Accounting loss after tax showed a slight increase over the prior year at £12.7m (2023 £12.3m), with the non-cash items driving this trend divergence from cash flow from operating activities being primarily an increase in depreciation which was increased 63% to £3.3m (2023 £2.0m), meanwhile reductions in capex were offset by higher finance lease costs, and the share based payment charge was consistent with the prior year.

To allow the Company to grow confidently without being distracted from its commercial activities by an extensive equity fundraising process, two of the Company's largest shareholders, Oxford Science Enterprises and Anglo American Platinum, alongside a new investor, extended a convertible loan of £11.5m to the Company during the year, of which £9.5m had been provided by year end and a further £1m after the year-end.

# ALLOYED LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Risks

The principal risks to the Company and Group include but are not limited to:

- **Funding risks:** Alloyed remains an early-stage company business reliant on venture funding, and this is likely to remain the case until at least 2025. Its investors, however, are large financial and corporate institutions which have been highly supportive of the business and, subject to the group achieving its growth ambitions, we anticipate their continuing financial support expecting to finance it through to break-even.
- **Commercial Credit risks:** Alloyed does not excessively rely on any customer, and its customer list is dominated by many of the largest companies in the world in the sectors in which Alloyed operates. As such, the risk of customer default is correspondingly low. This said, its progress to break-even does depend on continued growth of their custom, and this is subject, inter alia, to those customers own financial positions.
- **Technology risks:** Alloyed has a substantial and multi-component technology portfolio which is not subject to any over-riding project risks, and it is highly unlikely that the whole technology portfolio will be rendered obsolete or otherwise uncompetitive by any customer or competitor development. However, its current revenues relate substantially to laser powder bed fusion (a particular form of additive manufacture), and it is possible that "left-field" technologies could emerge which narrow the sectors to which laser powder bed fusion appeals. Further, individual projects do face specific technology risks which mean they may not meet the ambitions of Alloyed or the relevant customers.
- **Scale-up and manufacturing risks:** Alloyed will be subject to the practical, organisational, recruitment and logistical risks normally attendant on entry into volume manufacture.
- **Regulatory and certification risk:**
  - In the medical sector, Alloyed designs and manufactures patient-specific implants under an ISO-13485 certification. Loss of that certification, while unlikely, would materially impact the Group and Company's prospects in the medical sector. Moreover, Alloyed's manufacturing plans in the industrial and electronics sectors will depend on further such certifications, which Alloyed is in the process of securing.
  - A growing minority of Alloyed's business is covered by US or UK export control regulation, and Alloyed will need to be scrupulous in the application of processes to prevent inadvertent contravention of this regulation. Alloyed currently conducts no business in countries which are the strategic adversaries of the countries in which it operates.

Other Financial risks include:

- **Cash Investment risks:** Alloyed banks exclusively with HSBC and has opted to invest unused cash reserves in AAA rated money market funds in order to appropriately balance security while optimising investment returns.
- **Interest rate risk:** Alloyed currently finances the majority of its Additive manufacturing machine fleet through finance leasing, generally on five year fixed rate terms, mitigating any exposure to short term interest rate fluctuations.
- **Foreign Exchange rate risk:** Alloyed's major customers are US based, and invoiced in USD, creating a foreign exchange exposure. We have currently not engaged in hedging activities while the timing of the foreign currency income remains materially variable, this is an area of focus for the year ahead.

**ALLOYED LIMITED**

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

*Michael Holmes*  
.....

Mr M Holmes  
**Director**

Date: .....7th October 2024.....

# **ALLOYED LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 MARCH 2024***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# ALLOYED LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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The directors present their annual report and financial statements for the year ended 31 March 2024.

#### Principal activities

The principal activity of the group continued to be that of the licensing and sale of advanced alloys and alloy components, and the sale of services relating to those activities. It develops and operates a computational and experimental platform for the rapid design of new alloys, with a scope which it is expanding from its origins in nickel and titanium alloys for the aerospace and gas turbine sectors to a wider range of alloys for a number of industrial, medical, and consumer markets.

#### Branches

The group has two subsidiaries, one in Japan and one in the United States.

#### Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Directors

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

Dr F Adziman  
W Goodlad  
Mr M Holmes  
M King  
K Nose  
Prof. R Reed  
K Marukawa  
Z Faizal-Khoo

#### Research and development

SME qualifying Research and Development expenditure of £4,943,760 were incurred during the year (2023 - £3,283,436 ).

#### Post reporting date events

At the balance sheet date £2,000k of convertible loan notes were committed but yet to be received from Valinco Investments Limited. On 28 June 2024, Alloyed Limited received £1,000k from Valinco Investments Limited, with £1,000k remaining outstanding.

#### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Matters covered in the Strategic Report

The group's business activities, factors likely to affect its future development, performance and position and disclosure of the group's principal and financial risks are set out in the Strategic Report.

#### Statement of disclosure to auditor

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

# ALLOYED LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2024**

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### Going concern

In preparing the financial statements, the directors have considered the ability of the Group and Company to continue as a going concern and have reviewed cash flow forecasts to inform their decisions.

As the Group and Company is still in the growth phase of its life-cycle, the group and company have recorded a loss in the current and prior periods. During this phase, the Group and Company is expected to continue to expend cash in operations.

Cash-flow forecasts have been prepared identifying all contractual cash commitments for the next 12 months subsequent to signing these financial statements; these have been compared to current cash holdings and expected revenues and other cash inflows.

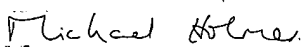
The Group and Company's ability to continue as a going concern is dependent upon raising additional funds, which is not guaranteed. The Group and Company anticipate raising additional equity funding from a combination of new and existing investors in the months subsequent to the signing of these financial statements; signed terms sheets are in place with certain prospective investors.

Although the directors expect the Group and Company to be able to raise additional funds as described above, the funds have yet to be confirmed. Therefore, this indicates that a material uncertainty exists that may cast significant doubt over the Group and Company's ability to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The directors consider that the funding will be forthcoming and therefore, the going concern basis of preparation is deemed appropriate.

The financial statements do not include any adjustments that would result from the going concern basis of preparation no longer being appropriate.

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



Mr M Holmes  
**Director**

Date: .....7th October 2024.....

# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLOYED LIMITED

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### Opinion on the financial statements

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 2024 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alloyed Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise Profit and loss account, Group statement of comprehensive income, Group balance sheet, Company balance sheet, Group statement of changes in equity, Company statement of changes in equity, Group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company 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.

### Material uncertainty related to going concern

We draw attention to Note 1.4 to the financial statements, which indicates that the Group and Parent Company's ability to continue as a going concern is dependent on raising additional funds, which is not guaranteed. As stated in Note 1.4, these events or conditions, along with other matters as set forth in Note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLOYED LIMITED

---

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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.

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.

# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLOYED LIMITED

---

### **Auditor's responsibilities for the audit of the financial statements**

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

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and

we considered the significant laws and regulations to be the applicable accounting framework.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health and Safety and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including share based payments and revenue contracts in progress at year end.

# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLOYED LIMITED

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Alex Stansbury*

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**Alex Stansbury (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP,**  
**Statutory Auditor**  
**Southampton, UK**

07 October 2024  
Date: .....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## ALLOYED LIMITED

### GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Continuing operations £'000	Discontinued operations £'000	31 March 2024 £'000	Continuing operations £'000	Discontinued operations £'000	31 March 2023 £'000
Turnover	3	10,346	-	10,346	6,679	-	6,679
Cost of sales		(5,261)	-	(5,261)	(4,182)	-	(4,182)
<b>Gross profit</b>		5,085	-	5,085	2,497	-	2,497
Administrative expenses		(20,402)	-	(20,402)	(16,701)	(64)	(16,765)
Other operating income		2,592	-	2,592	884	-	884
<b>Operating loss</b>	6	(12,725)	-	(12,725)	(13,320)	(64)	(13,384)
Interest receivable and similar income	7	223	-	223	59	-	59
Interest payable and similar expenses	8	(1,046)	-	(1,046)	(235)	(7)	(242)
Amounts written off investments		116	-	116	-	-	-
<b>Loss before taxation</b>		(13,432)	-	(13,432)	(13,496)	(71)	(13,567)
Tax on loss		698	-	698	1,157	-	1,157
<b>Loss for the financial year</b>		(12,734)	-	(12,734)	(12,339)	(71)	(12,410)

Loss for the financial year is all attributable to the owners of the parent company.

# ALLOYED LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

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	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Loss for the year</b>	(12,734)	(12,410)
	<u>          </u>	<u>          </u>
<b>Other comprehensive loss</b>		
Currency translation gain/(loss) taken to retained earnings	-	(4)
Currency translation gain/(loss) arising in the year	11	(1)
	<u>          </u>	<u>          </u>
<b>Other comprehensive income/(loss) for the year</b>	11	(5)
	<u>          </u>	<u>          </u>
<b>Total comprehensive loss for the year</b>	(12,723)	(12,415)
	<u>          </u>	<u>          </u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ALLOYED LIMITED

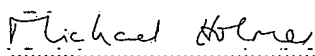
## GROUP BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11		39		33
Tangible assets	12		10,132		8,866
			<u>10,171</u>		<u>8,899</u>
<b>Current assets</b>					
Stocks	15	1,086		647	
Debtors	16	3,538		3,751	
Cash at bank and in hand		9,959		9,221	
		<u>14,583</u>		<u>13,619</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(14,633)</u>		<u>(3,225)</u>	
<b>Net current (liabilities)/assets</b>			<u>(50)</u>		<u>10,394</u>
<b>Total assets less current liabilities</b>			<u>10,121</u>		<u>19,293</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(4,693)</u>		<u>(4,137)</u>
<b>Net assets</b>			<u>5,428</u>		<u>15,156</u>
<b>Capital and reserves</b>					
Called up share capital	20		11		11
Share premium account			46,442		46,442
Other reserves			11,121		8,115
Profit and loss reserves			<u>(52,146)</u>		<u>(39,412)</u>
<b>Total equity</b>			<u>5,428</u>		<u>15,156</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 7th Oct 2024 and are signed on its behalf by:



Mr M Holmes  
Director

Company registration number 10687859 (England and Wales)

# ALLOYED LIMITED

## COMPANY BALANCE SHEET

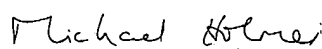
AS AT 31 MARCH 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	11		40		34
Tangible assets	12		9,110		7,816
Investments	13		41		37
			<u>9,191</u>		<u>7,887</u>
<b>Current assets</b>					
Stocks	15	1,086		647	
Debtors	16	5,528		4,629	
Cash at bank and in hand		9,911		9,045	
		<u>16,525</u>		<u>14,321</u>	
<b>Creditors: amounts falling due within one year</b>	17	(14,493)		(3,013)	
<b>Net current assets</b>			<u>2,032</u>		<u>11,308</u>
<b>Total assets less current liabilities</b>			<u>11,223</u>		<u>19,195</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(4,304)		(3,656)
<b>Net assets</b>			<u>6,919</u>		<u>15,539</u>
<b>Capital and reserves</b>					
Called up share capital	20		11		11
Share premium account			46,442		46,442
Other reserves			7,785		4,790
Profit and loss reserves			(47,319)		(35,704)
<b>Total equity</b>			<u>6,919</u>		<u>15,539</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £11,615,431 (2023 - £11,279,718 loss).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on .....7th October 2024. and are signed on its behalf by:



Mr M Holmes  
Director

Company registration number 10687859 (England and Wales)

## ALLOYED LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Currency translation reserve £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 April 2022</b>	11	46,442	5,234	(7)	(26,998)	24,682
<b>Year ended 31 March 2023:</b>						
Loss for the year	-	-	-	-	(12,410)	(12,410)
Other comprehensive loss:						
Currency translation differences	-	-	-	(1)	(4)	(5)
Total comprehensive loss	-	-	-	(1)	(12,414)	(12,415)
Contributions by and distributions to owners:						
Share based payments charge	-	-	2,889	-	-	2,889
<b>Balance at 31 March 2023</b>	11	46,442	8,123	(8)	(39,412)	15,156
<b>Year ended 31 March 2024:</b>						
Loss for the year	-	-	-	-	(12,734)	(12,734)
Other comprehensive loss:						
Currency translation differences	-	-	-	11	-	11
Total comprehensive loss	-	-	-	11	(12,734)	(12,723)
Contributions by and distributions to owners:						
Share based payments charge	-	-	2,995	-	-	2,995
<b>Balance at 31 March 2024</b>	11	46,442	11,118	3	(52,146)	5,428

**ALLOYED LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

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	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Impairment reserve £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 April 2022</b>	11	46,442	5,234	(3,333)	(24,425)	23,929
<b>Year ended 31 March 2023:</b>						
Loss and total comprehensive loss for the year	-	-	-	-	(11,280)	(11,280)
Share based payment charge	-	-	2,889	-	-	2,889
<b>Balance at 31 March 2023</b>	11	46,442	8,123	(3,333)	(35,704)	15,539
<b>Year ended 31 March 2024:</b>						
Loss and total comprehensive loss	-	-	-	-	(11,615)	(11,615)
Share based payment charge	-	-	2,995	-	-	2,995
<b>Balance at 31 March 2024</b>	11	46,442	11,118	(3,333)	(47,319)	6,919

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# ALLOYED LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	30		(6,198)		(8,948)
Interest paid			(355)		(158)
Income taxes refunded			1,054		880
			<u>          </u>		<u>          </u>
<b>Net cash outflow used in operating activities</b>			(5,499)		(8,226)
<b>Investing activities</b>					
Purchase of intangible assets		(32)		(25)	
Purchase of tangible fixed assets		(1,654)		(2,421)	
Proceeds from disposal of tangible fixed assets		7		21	
Interest received		223		59	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(1,456)		(2,366)
<b>Financing activities</b>					
Issue of convertible loans		9,500		-	
Payment of finance leases obligations		(1,807)		(1,150)	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) financing activities</b>			7,693		(1,150)
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			738		(11,742)
Cash and cash equivalents at beginning of year			9,221		20,963
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>9,959</u>		<u>9,221</u>

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Company information

Alloyed Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 15 Pioneer Park, Mead Road, Yarnton, Oxfordshire, OX5 1JT.

The group consists of Alloyed Limited and all of its subsidiaries.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Business combinations

In the group financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Alloyed Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### 1.4 Going concern

In preparing the financial statements, the directors have considered the ability of the Group and Company to continue as a going concern and have reviewed cash flow forecasts to inform their decisions.

As the Group and Company is still in the growth phase of its life-cycle, the group and company have recorded a loss in the current and prior periods. During this phase, the Group and Company is expected to continue to expend cash in operations.

Cash-flow forecasts have been prepared identifying all contractual cash commitments for the next 12 months subsequent to signing these financial statements; these have been compared to current cash holdings and expected revenues and other cash inflows.

The Group and Company's ability to continue as a going concern is dependent upon raising additional funds, which is not guaranteed. The Group and Company anticipate raising additional equity funding from a combination of new and existing investors in the months subsequent to the signing of these financial statements; signed terms sheets are in place with certain prospective investors.

Although the directors expect the Group and Company to be able to raise additional funds as described above, the funds have yet to be confirmed. Therefore, this indicates that a material uncertainty exists that may cast significant doubt over the Group and Company's ability to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The directors consider that the funding will be forthcoming and therefore, the going concern basis of preparation is deemed appropriate.

The financial statements do not include any adjustments that would result from the going concern basis of preparation no longer being appropriate.

#### 1.5 Turnover

Turnover is stated net of sales/value added tax, returns, rebates and discounts. Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and it is recorded at the value of the consideration due. Where a contract has only been partially completed at the Balance Sheet date, turnover represents the value of work performed to the Balance Sheet date. The company uses the percentage of completion method based on the actual costs incurred as a percentage of the total projected costs. Where payments are received from customers in advance of services provided, these amounts are recorded as deferred income and included within creditors. Where services are provided before payments are received from customers, these amounts are recorded as accrued income and included within debtors. Where a contract has a projected loss, the full loss is recognised.

Turnover from the sale of goods is recognised on dispatch to the customer.

#### 1.6 Research and development expenditure

Research and development expenditure is charged to the statement of comprehensive income in the period in which it is incurred. Research and development tax credits for small and medium enterprises are claimed on qualifying expenditure and are included within taxation in the statement of comprehensive income. Where unpaid, research and development tax credits are included as receivables at the year end can be demonstrated.

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 1 Accounting policies

(Continued)

##### 1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

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

##### 1.8 Intangible fixed assets other than goodwill

Patents and Software are shown at historical cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of 3 years on a straight line basis, with trademarks, patents and licenses amortised over 5 years on a straight line basis. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

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

Trademarks, patents & licences	20% straight line basis
Software	33% straight line basis
Website	33% straight line basis

##### 1.9 Tangible fixed assets

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

Tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

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

Leasehold improvements	33% straight line basis
Machinery	33% straight line basis
Leased machinery	20% straight line basis
Computers and other office equipment	33% straight line basis
Assets under construction	Nil / 33% straight line basis

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

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### 1.10 Fixed asset investments

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

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

#### 1.11 Impairment of fixed assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

#### 1.12 Stocks

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

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

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

#### 1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

(Continued)

##### 1.14 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

##### **Derecognition of financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

---

### 1 Accounting policies

(Continued)

#### **Convertible loan notes**

Convertible loan notes are recognised wholly within liabilities on the basis that they convert into a variable number of shares. The liability is measured at fair value on the basis of the present value of the instruments to be issued in settlement. Any movements in fair value are recognised in profit and loss.

The coupon rate of interest and imputed interest relating to the discount to the share price provided to the loan note holders is recognised as a finance cost.

#### **Derecognition of financial liabilities**

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

#### **1.15 Equity instruments**

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

#### **1.16 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

#### **1.17 Employee benefits**

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

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

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

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies (Continued)

#### 1.18 Retirement benefits

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

#### 1.19 Share-based payments

The parent company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. Options vest using the grading method from the date of grant. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated with reference to actual prices achieved in fundraising and business progress at the grant date, using the Black Scholes method. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. No options were exercised during the year. Non-exercised share options are held within other reserves.

As at 31 March 2024 2,748,052 (2023 -1,968,011) share options remain to be exercised.

#### 1.20 Leases

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

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

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

#### 1.21 Government grants

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

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

#### 1.22 Foreign exchange

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 the profit and loss account.

Foreign exchange gains and losses from the translation of the results of subsidiaries denominated in foreign currencies are recognised in other comprehensive income.

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# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Share based payments

The Directors determine the costs of the share-based payments plan on the basis of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model, the Black Scholes model, for these equity instruments by which characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgements like the estimated expected life of the option, volatility and share price.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Share based payments

The ordinary share price at the date of issue is a key estimate. In making this estimate, the directors consider that the ordinary share value equates to that of the preference shares and that share value increases accrue evenly between funding rounds. Had the directors determined that the ordinary shares had lower value than the preference shares, the share based payment charge would be lower.

#### Revenue contracts in progress at the year end

In estimating the extent to which turnover is to be recognised at the year end, the Directors make certain assumptions based on expected costs to complete the contracts in progress, Such assumptions have a significant impact on revenue, operating profit and accrued and deferred income.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2024 £'000	2023 £'000
<b>Turnover analysed by class of business</b>		
Contract development fees	7,523	6,237
License fees	47	30
Components	2,628	297
Powder	148	119
	<u>10,346</u>	<u>6,679</u>
	2024 £'000	2023 £'000
<b>Other revenue</b>		
Interest income	223	59
Royalty income	-	1
Grants received	2,368	764
	<u>2,368</u>	<u>764</u>

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 4 Auditor's remuneration

	2024 £'000	2023 £'000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	49	46
	<u>49</u>	<u>46</u>

#### 5 Employees

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

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
	140	105	136	103
	<u>140</u>	<u>105</u>	<u>136</u>	<u>103</u>

Their aggregate remuneration comprised:

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Wages and salaries	11,395	8,878	10,916	8,674
Social security costs	888	661	888	661
Pension costs	717	528	717	528
	<u>13,000</u>	<u>10,067</u>	<u>12,521</u>	<u>9,863</u>

#### 6 Operating loss

	2024 £'000	2023 £'000
Operating loss for the year is stated after charging/(crediting):		
Research and development costs	467	479
Government grants	(2,368)	(764)
Depreciation of owned tangible fixed assets	1,369	959
Depreciation of tangible fixed assets held under finance leases	1,936	1,066
Loss/(profit) on disposal of tangible fixed assets	96	(86)
Amortisation of intangible assets	26	823
Share-based payments	2,995	2,889
Operating lease charges	725	709
	<u>725</u>	<u>709</u>

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 7 Interest receivable and similar income

	2024 £'000	2023 £'000
<b>Interest income</b>		
Interest on bank deposits	223	59
	<u>223</u>	<u>59</u>
	2024 £'000	2023 £'000
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	223	59
	<u>223</u>	<u>59</u>

### 8 Interest payable and similar expenses

	2024 £'000	2023 £'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on convertible loan notes	565	-
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	355	158
Foreign currency losses	126	84
	<u>1,046</u>	<u>242</u>
Total finance costs	1,046	242

### 9 Taxation

The corporation tax rate effective during the year is 25% (2023 - 19%).

Tax adjusted losses have been included within appropriate deferred tax calculations as disclosed in note 16. The effective tax rate for deferred tax is 25%.

The parent company has undertaken research and development tax credit claims resulting in an amount payable of £869k (2023 - £1,224k).

### 10 Discontinued operations

#### **OxMet Technologies Inc.**

On 12 September 2022 OxMet Technologies Inc. was dissolved.

#### **Betatype Limited**

On 14 March 2023 Betatype Limited, Betatype Group Limited and Betatype Software Limited were all dissolved at Companies House. The disposal was effected as the trade carried out by Betatype Limited ceased in the year ended 31 March 2022.

The comparative figures are presented to show separately the result of the discontinued operations as included in that period.

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 11 Intangible fixed assets

Group	Goodwill	Trademarks, patents & licences	Software	Website	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023	4,996	120	103	20	5,239
Additions	-	-	32	-	32
At 31 March 2024	<u>4,996</u>	<u>120</u>	<u>135</u>	<u>20</u>	<u>5,271</u>
<b>Amortisation and impairment</b>					
At 1 April 2023	4,996	120	83	7	5,206
Amortisation charged for the year	-	-	19	7	26
At 31 March 2024	<u>4,996</u>	<u>120</u>	<u>102</u>	<u>14</u>	<u>5,232</u>
<b>Carrying amount</b>					
At 31 March 2024	<u>-</u>	<u>-</u>	<u>33</u>	<u>6</u>	<u>39</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>20</u>	<u>13</u>	<u>33</u>
<b>Company</b>					
		Trademarks, patents & licences	Software	Website	Total
		£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023		120	103	20	243
Additions		-	32	-	32
At 31 March 2024		<u>120</u>	<u>135</u>	<u>20</u>	<u>275</u>
<b>Amortisation and impairment</b>					
At 1 April 2023		120	82	7	209
Amortisation charged for the year		-	19	7	26
At 31 March 2024		<u>120</u>	<u>101</u>	<u>14</u>	<u>235</u>
<b>Carrying amount</b>					
At 31 March 2024		<u>-</u>	<u>34</u>	<u>6</u>	<u>40</u>
At 31 March 2023		<u>-</u>	<u>21</u>	<u>13</u>	<u>34</u>

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 12 Tangible fixed assets

Group	Leasehold improvements	Assets under construction	Machinery	Computers and other office equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023	355	81	10,440	1,441	12,317
Additions	87	495	3,338	754	4,674
Disposals	-	-	(294)	(5)	(299)
Transfers	-	(344)	344	-	-
At 31 March 2024	442	232	13,828	2,190	16,692
<b>Depreciation and impairment</b>					
At 1 April 2023	20	-	2,967	464	3,451
Depreciation charged in the year	77	53	2,623	552	3,305
Eliminated in respect of disposals	-	-	(194)	(2)	(196)
At 31 March 2024	97	53	5,396	1,014	6,560
<b>Carrying amount</b>					
At 31 March 2024	345	179	8,432	1,176	10,132
At 31 March 2023	335	81	7,473	977	8,866
<b>Company</b>		<b>Assets under construction</b>	<b>Machinery</b>	<b>Computers and other office equipment</b>	<b>Total</b>
		£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2023		32	9,714	1,441	11,187
Additions		385	3,303	752	4,440
Disposals		-	(294)	(5)	(299)
Transfers		(344)	344	-	-
At 31 March 2024		73	13,067	2,188	15,328
<b>Depreciation and impairment</b>					
At 1 April 2023		-	2,907	464	3,371
Depreciation charged in the year		-	2,491	552	3,043
Eliminated in respect of disposals		-	(194)	(2)	(196)
At 31 March 2024		-	5,204	1,014	6,218
<b>Carrying amount</b>					
At 31 March 2024		73	7,863	1,174	9,110
At 31 March 2023		32	6,807	977	7,816

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 12 Tangible fixed assets

(Continued)

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

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Machinery	6,908	5,922	6,372	5,265

### 13 Fixed asset investments

	Notes	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Investments in subsidiaries	14	-	-	41	37

#### Movements in fixed asset investments

Company	Shares in subsidiaries £'000
<b>Cost or valuation</b>	
At 1 April 2023	37
Additions	4
At 31 March 2024	41
<b>Carrying amount</b>	
At 31 March 2024	41
At 31 March 2023	37

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Alloyed KK	Japan	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00
Alloyed Inc.	USA	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 15 Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	1,086	647	1,086	647

### 16 Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	1,199	693	1,200	694
Corporation tax recoverable	869	1,225	869	1,225
Amounts owed by group undertakings	-	-	2,048	917
Other debtors	227	600	207	600
Prepayments and accrued income	1,243	1,233	1,204	1,193
	<u>3,538</u>	<u>3,751</u>	<u>5,528</u>	<u>4,629</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

As at the balance sheet date, the parent company had an unrecognised deferred tax net asset relating to fixed assets, un-utilised losses and unpaid defined pension contributions totaling £5,800k (2023 - £4,432k). It is not expected that this asset will be recognised in the short term as the company is not expected to make taxable profits to offset against the losses in the near future.

### 17 Creditors: amounts falling due within one year

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Convertible loans	19	10,065	-	10,065	-
Obligations under finance leases	22	1,826	1,291	1,714	1,163
Trade creditors		1,850	872	1,822	788
Other taxation and social security		268	216	268	216
Other creditors		86	58	86	58
Accruals and deferred income		538	788	538	788
		<u>14,633</u>	<u>3,225</u>	<u>14,493</u>	<u>3,013</u>

### 18 Creditors: amounts falling due after more than one year

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases	22	4,693	4,137	4,304	3,656

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 19 Convertible loan notes

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Liability component of convertible loan notes	10,065	-	10,065	-

On 10 October 2023, Alloyed Limited issued unsecured convertible loan notes totalling £11,500k. As at 31 March 2024, the company has received £9,500k.

The convertible loan notes are carried as a liability on the basis that they convert into a variable number of shares and are measured at fair value.

### 20 Share capital

<b>Group and company</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
<b>Issued and fully paid</b>				
Ordinary A shares of 0.01p each	2,792,091	2,792,091	-	-
Ordinary shares of 0.1p each	2,294,825	2,294,825	2	2
Preferred shares of 0.1p each	8,496,992	8,496,992	9	9
	<u>13,583,908</u>	<u>13,583,908</u>	<u>11</u>	<u>11</u>

The company has two classes of ordinary shares (Ordinary and Ordinary A shares). The holders of both classes of ordinary shares are entitled to share equally in dividends as declared against each class of share and other distributions. They are also entitled to full voting rights. All ordinary shares rank equally with regard to the company's residual assets.

The company has a class of preference shares classified as equity (Preferred shares). The holders of these shares are entitled to share equally in dividends, and are entitled to full voting rights. These shares receive priority for payment from other distributions and with regard to the company's residual assets.

During the year the company did not issue any Ordinary or Preferred shares.

### 21 Share-based payment transactions

<b>Group and company</b>	<b>Number of share options</b>		<b>Weighted average exercise price</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>	<b>£'000</b>	<b>£'000</b>
Outstanding at 1 April 2023	1,968,011	1,508,011	0.35	0.32
Granted	873,791	478,000	0.33	0.50
Cancelled	(93,750)	(18,000)	0.35	0.32
Outstanding at 31 March 2024	<u>2,748,052</u>	<u>1,968,011</u>	<u>0.35</u>	<u>0.35</u>
Exercisable at 31 March 2024	<u>2,006,224</u>	<u>1,299,515</u>	<u>0.33</u>	<u>0.36</u>

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 21 Share-based payment transactions

(Continued)

The options outstanding at 31 March 2024 had an exercise price ranging from £0.22 to £2.16, and a remaining contractual life of up to 3 years.

##### Group and company

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model.

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

Inputs were as follows:

	2024	2023
Weighted average share price (pence)	436	412
Weighted average exercise price (pence)	35	35
Expected volatility	50.00%	50.00%
Expected life (years)	3	3
Risk free rate	0.63%	0.63%

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
<b>Expenses recognised in the year</b>				
Arising from equity settled share based payment transactions	2,995	2,889	2,995	2,889

#### 22 Finance lease obligations

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Future minimum lease payments due under finance leases:				
Within one year	1,826	1,291	1,714	1,163
In two to five years	4,693	4,078	4,304	3,597
In over five years	-	59	-	59
	<u>6,519</u>	<u>5,428</u>	<u>6,018</u>	<u>4,819</u>

The carrying amounts of the finance leases are £6,519k (2023 - £5,428k), which consists of the total gross payments due of £ 7,910k (2023 - £6,381k), less finance charges of £879k (2023 - £659k) and maintenance charges of £512k (2023 - £344k).

The total future gross minimum lease payments due not later than one year is £2,369k (2023 - £1,693k), and the total future gross minimum lease payments due later than one year is £5,541k (2023 - £4,832k).

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### 23 Operating lease commitments

##### Lessee

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

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year	553	418	492	357
Between two and five years	1,557	1,380	1,521	1,283
In over five years	-	160	-	160
	<u>2,110</u>	<u>1,958</u>	<u>2,013</u>	<u>1,800</u>

#### 24 Retirement benefit schemes

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>717</u>	<u>528</u>

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

Included in the balance sheet are unpaid pension contributions of £76k (2023 - £59k).

#### 25 Financial commitments, guarantees and contingent liabilities

##### Amounts disclosed in the balance sheet

##### Pensions

Included in the balance sheet are pensions of £76k (2023 - £59k). The parent company operates a defined contributions pension scheme for the employees. The assets of the scheme are held separately from those of the group in an independent administered fund.

##### Patents

Patents are Intellectual Property rights purchases from a third party. In the event of an exit, Alloyed Limited will incur liability which will be based on the valuation of the company at the date of the exit.

Royalties of 0.75% - 30% of revenue are due to Oxford University Innovation Limited, based on the type of revenue and the time elapsed since the signing of the license agreement. Royalties paid in the year were £5k (2023 - £3k).

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 26 Directors' remuneration

	2024 £'000	2023 £'000
Remuneration for qualifying services	470	427
Company pension contributions to defined contribution schemes	37	35
	<u>507</u>	<u>462</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2023 - 4).

The number of directors who are entitled to receive shares under long term incentive schemes was 4 (2023 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2024 £'000	2023 £'000
Remuneration for qualifying services	298	265
Company pension contributions to defined contribution schemes	27	25
	<u>325</u>	<u>290</u>

### 27 Events after the reporting date

At the balance sheet date £2,000k of convertible loan notes were committed but yet to be received from Valinco Investments Limited (see note 19). On 28 June 2024, Alloyed Limited received £1,000k from Valinco Investments Limited, with £1,000k remaining outstanding.

### 28 Related party transactions

#### Remuneration of key management personnel

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2024 £'000	2023 £'000
Aggregate compensation	1,343	1,087

#### Summary of transactions with key management:

During the year, Alloyed Limited granted share options totalling £2,044k (2023 - £423k) to directors and shareholders of the company.

No directors, management or shareholders provided independent services to Alloyed Limited during the year (2023 - £nil).

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### 28 Related party transactions

(Continued)

#### Transactions with related parties

##### University of Oxford

Shareholder of Alloyed Limited

During the year the University of Oxford did not provide any services to Alloyed Limited (2023 - £2k).

##### Oxford Sciences Enterprise plc

Shareholder of Alloyed Limited

During the year Oxford Science Innovation plc provided services to Alloyed Limited totalling £6k (2023 - £6k).

On 10 October 2023 Alloyed Limited raised convertible loan notes totalling £7,500k from Oxford Science Innovation plc.

At the balance sheet date, a balance of £7,518k (2023 - £12k) was owed by Alloyed Limited to Oxford Sciences Enterprise plc, of which £7,500k are convertible loan notes.

##### JX Nippon Mining & Metal Corporation

Shareholder of Alloyed Limited

During the year Alloyed Limited made sales totalling £829k (2023 - £964k) to JX Nippon Mining & Metal Corporation, and made purchases totalling £85k (2023 - £66k).

At the balance sheet date, no balance was owed to Alloyed Limited by JX Nippon Mining & Metal Corporation (2023 - £136k), and a balance of £10k (2023 - £1k) was owed by Alloyed Limited to JX Nippon Mining & Metal Corporation.

##### Anglo Platinum Marketing Limited

Shareholder of Alloyed Limited

During the year Alloyed Limited made sales totalling £1,291k (2023 - £964k) to Anglo Platinum Marketing Limited, and made purchases totalling £156k (2023 - £24k).

On 10 October 2023 Alloyed Limited raised convertible loan notes totalling £2,000k from Anglo Platinum Marketing Limited. The loan notes had not been paid to Alloyed Limited by 31 March 2024.

### 29 Controlling party

The company is considered by the directors to have no ultimate controlling party.

# ALLOYED LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

<b>30 Cash absorbed by group operations</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year after tax	(12,734)	(12,410)
<b>Adjustments for:</b>		
Taxation credited	(698)	(1,157)
Finance costs	1,046	242
Investment income	(223)	(59)
Loss/(gain) on disposal of tangible fixed assets	96	(86)
Amortisation and impairment of intangible assets	26	823
Depreciation and impairment of tangible fixed assets	3,305	2,025
Other gains and losses	(116)	-
Equity settled share based payment expense	2,995	2,889
Decrease in provisions	(126)	(84)
<b>Movements in working capital:</b>		
Increase in stocks	(439)	(335)
Increase in debtors	(143)	(808)
Increase in creditors	813	12
<b>Cash absorbed by operations</b>	<b>(6,198)</b>	<b>(8,948)</b>

<b>31 Analysis of changes in net funds/(debt) - group</b>	<b>1 April 2023</b>	<b>Cash flows</b>	<b>New finance</b>	<b>Other non-31 March 2024</b>	
	<b>£'000</b>	<b>£'000</b>	<b>leases</b>	<b>cash changes</b>	<b>£'000</b>
			<b>£'000</b>	<b>£'000</b>	
Cash at bank and in hand	9,221	738	-	-	9,959
Obligations under finance leases	(5,428)	1,807	(2,898)	-	(6,519)
Convertible loan notes	-	(9,500)	-	(565)	(10,065)
	<u>3,793</u>	<u>(6,955)</u>	<u>(2,898)</u>	<u>(565)</u>	<u>(6,625)</u>