REGISTERED NUMBER: 00817600 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2023

for

Hereford Galvanizers Limited

Contents of the Consolidated Financial Statements
for the year ended 31 March 2023

Company Information
for the year ended 31 March 2023

Directors:	E J Hayes Ms M B Jackson Dr F Shallcross D A Watkins B M Gould P Shipley
Secretary:	Ms M B Jackson
Registered office:	Westfields Trading Estate Hereford HR4 9NS
Registered number:	00817600 (England and Wales)
Auditors:	Acre Accountancy Limited Unit 2 Foley Works Foley Industrial Estate Hereford Herefordshire HR1 2SF

Group Strategic Report
for the year ended 31 March 2023

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

Review of business
The principal activities of the Company throughout the year was that of hot dip galvanizing and powder coatings of mild steel products & fabrications.The principal activities of our subsidiary company were those of providing technical services to the hot dip galvanizing industry. The Quantum division sells wire and chemicals that are used by galvanizers.
The results for the year and financial position of the company are as shown in the annexed financial statements.
Overall trading for our hot dip galvanizing & powder coating plants recovered well after the challenges brought about by COVID during the previous year. The UK economy generally saw increased output including manufacturing and the construction sector. Total coating sales were £11.8m, an increase of 20.4% compared to the previous year. The combined group had turnover of £12.8m and an operating profit of £1.4m.
Our Hereford plant performed well with demand from structural steel fabricators, power transmission manufacturers and general steel fabrications.
Our Shropshire plant continued to benefit from the new larger zinc kettle with production outputs providing more flexibility for our customers. Core market segments include engineering products, access equipment, trailers as well as general steelwork. Shropshire Powder Coaters works closely with our galvanizing customers / operations and also saw greater demand throughout the year, primary market served including gates, fencing, railings and architectural steelwork.
The Board have agreed a rolling R & M / Capital plan across all sites to update the infrastructure including re-cladding of the main production plant at Hereford, crane upgrades, improvement to transport / materials handling equipment and new welfare facilities at Oswestry.
The Company is pleased to have a wide diversity of customers and regularly assesses price / margins / volumes and risk. During the trading period the Company experienced a number of increases to direct materials, labour, spares and undertook regular price reviews with customers.
The health, safety and welfare of all our employees & stakeholders is important to the business and the Company continues to monitor such matters on a regular basis. The Company has also initiated further workforce training programmes and employee development.
Towards the end of the trading period there was a great deal of uncertainty surrounding the war in Ukraine, inflationary pressures within the UK economy and the rising cost of energy.
Given the operational challenges to trading the Directors consider the results to be good.

Principal risks and uncertainties
The risks to Company are assessed on a regular basis, these include customer, supplier, liquidity, interest rates, commodity prices (zinc) and energy costs.

The Directors and Senior management team continues to assess performance of the business on a regular basis and evaluate the likelihood and potential impact of each risk and ensure appropriate action is taken to mitigate it.

On behalf of the board:

Ms M B Jackson - Director

17 November 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

Principal activities
The principal activities of the Company throughout the year was that of hot dip galvanizing and powder coatings of mild steel products & fabrications.The principal activities of our subsidiary company were those of providing technical services to the hot dip galvanizing industry. The Quantum division sells wire and chemicals that are used by galvanizers.

Dividends
The directors recommended and paid dividends in the year of £80,220 to preference shareholders (2022: £80,220) and £410,000 to ordinary shareholders (2022: £196,000).

Directors
The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

E J Hayes
Ms M B Jackson
Dr F Shallcross
D A Watkins
B M Gould

Other changes in directors holding office are as follows:

P Shipley was appointed as a director after 31 March 2023 but prior to the date of this report.

Statement of directors' responsibilities
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors
The auditors, Acre Accountancy Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Ms M B Jackson - Director

17 November 2023

Opinion
We have audited the financial statements of Hereford Galvanizers Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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.

We enquired with management about the legal framework that the company operates in. We also enquired about the risk of fraud and whether they were aware of any instances of fraud. We communicated the outcome of this risk assessment with the audit team and planned our audit work accordingly. Our work in these areas is limited to analytical procedures and inspection of relevant documentation. Where a breach of operational regulations is not disclosed to us, or it is not evident from documentation that we receive during the audit, an audit will not detect that breach.

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

Use of our report

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

Russell John Spencer FCCA (Senior Statutory Auditor)
for and on behalf of Acre Accountancy Limited
Unit 2 Foley Works
Foley Industrial Estate
Hereford
Herefordshire
HR1 2SF

17 November 2023

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER		12,784,643	10,650,093
Cost of sales		(8,635,378)	(7,104,809)
GROSS PROFIT		4,149,265	3,545,284
Distribution costs		(928,122)	(760,380)
Administrative expenses		(1,815,825)	(1,729,816)
		1,405,318	1,055,088
Other operating income		-	11,725
OPERATING PROFIT	4	1,405,318	1,066,813
Interest receivable and similar income		39	-
		1,405,357	1,066,813
Interest payable and similar expenses	5	(108,712)	(105,607)
PROFIT BEFORE TAXATION		1,296,645	961,206
Tax on profit	6	(256,304)	(270,810)
PROFIT FOR THE FINANCIAL YEAR		1,040,341	690,396
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,040,341	690,396
Profit attributable to:			
Owners of the parent		1,040,341	690,396
Total comprehensive income attributable to:			
Owners of the parent		1,040,341	690,396

The notes form part of these financial statements

Consolidated Balance Sheet
31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1,945,406	1,967,069
Investments	11	-	-
		1,945,406	1,967,069
CURRENT ASSETS			
Stocks	12	1,376,693	1,108,404
Debtors	13	2,202,024	2,504,047
Cash at bank and in hand		984,777	1,063,723
		4,563,494	4,676,174
CREDITORS			
Amounts falling due within one year	14	(1,424,262)	(2,067,975)
NET CURRENT ASSETS		3,139,232	2,608,199
TOTAL ASSETS LESS CURRENT LIABILITIES		5,084,638	4,575,268
CREDITORS			
Amounts falling due after more than one year	15	(1,051,356)	(1,182,315)
PROVISIONS FOR LIABILITIES	19	(291,848)	(281,860)
NET ASSETS		3,741,434	3,111,093
CAPITAL AND RESERVES			
Called up share capital	20	17,840	17,840
Retained earnings	21	3,723,594	3,093,253
SHAREHOLDERS' FUNDS		3,741,434	3,111,093

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2023 and were signed on its behalf by:

D A Watkins - Director

Company Balance Sheet
31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1,750,183	1,770,224
Investments	11	20,001	20,001
		1,770,184	1,790,225
CURRENT ASSETS			
Stocks	12	1,327,182	1,061,413
Debtors	13	2,093,530	2,410,779
Cash at bank and in hand		735,510	846,088
		4,156,222	4,318,280
CREDITORS			
Amounts falling due within one year	14	(1,139,872)	(1,801,313)
NET CURRENT ASSETS		3,016,350	2,516,967
TOTAL ASSETS LESS CURRENT LIABILITIES		4,786,534	4,307,192
CREDITORS			
Amounts falling due after more than one year	15	(1,051,356)	(1,152,705)
PROVISIONS FOR LIABILITIES	19	(246,260)	(236,574)
NET ASSETS		3,488,918	2,917,913
CAPITAL AND RESERVES			
Called up share capital	20	17,840	17,840
Retained earnings	21	3,471,078	2,900,073
SHAREHOLDERS' FUNDS		3,488,918	2,917,913
Company's profit for the financial year		981,005	696,302

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2023 and were signed on its behalf by:

D A Watkins - Director

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	17,840	2,598,857	2,616,697
Changes in equity			
Dividends	-	(196,000)	(196,000)
Total comprehensive income	-	690,396	690,396
Balance at 31 March 2022	17,840	3,093,253	3,111,093
Changes in equity			
Dividends	-	(410,000)	(410,000)
Total comprehensive income	-	1,040,341	1,040,341
Balance at 31 March 2023	17,840	3,723,594	3,741,434

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	17,840	2,399,771	2,417,611
Changes in equity			
Dividends	-	(196,000)	(196,000)
Total comprehensive income	-	696,302	696,302
Balance at 31 March 2022	17,840	2,900,073	2,917,913
Changes in equity			
Dividends	-	(410,000)	(410,000)
Total comprehensive income	-	981,005	981,005
Balance at 31 March 2023	17,840	3,471,078	3,488,918

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	1,021,670	787,417
Interest paid		(10,458)	(9,570)
Interest element of hire purchase payments paid		(11,985)	(15,817)
Finance costs paid		(86,269)	(80,220)
Government grants		-	8,566
Tax paid		(227,290)	(98,688)
Net cash from operating activities		685,668	591,688
Cash flows from investing activities			
Purchase of tangible fixed assets		(241,210)	(85,589)
Sale of tangible fixed assets		19,186	19,421
Interest received		39	-
Net cash from investing activities		(221,985)	(66,168)
Cash flows from financing activities			
Loan repayments in year		(70,000)	(28,334)
New finance agreements		85,314	-
Capital repayments in year		(122,931)	(168,564)
Share buyback		(25,000)	-
Equity dividends paid		(410,000)	(196,000)
Net cash from financing activities		(542,617)	(392,898)
(Decrease)/increase in cash and cash equivalents		(78,934)	132,622
Cash and cash equivalents at beginning of year	2	1,063,711	931,089
Cash and cash equivalents at end of year	2	984,777	1,063,711

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

	2023	2022
	£	£
Profit before taxation	1,296,645	961,206
Depreciation charges	248,546	262,071
Profit on disposal of fixed assets	(4,859)	(4,110)
Government grants	-	(8,566)
Finance costs	108,712	105,607
Finance income	(39)	-
	1,649,005	1,316,208
Increase in stocks	(268,289)	(156,174)
Decrease/(increase) in trade and other debtors	302,023	(604,935)
(Decrease)/increase in trade and other creditors	(661,069)	232,318
Cash generated from operations	1,021,670	787,417

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	984,777	1,063,723
Bank overdrafts	-	(12)
	984,777	1,063,711

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	1,063,723	931,101
Bank overdrafts	(12)	(12)
	1,063,711	931,089

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	1,063,723	(78,946)	984,777
Bank overdrafts	(12)	12	-
	1,063,711	(78,934)	984,777
Debt			
Finance leases	(290,226)	37,617	(252,609)
Debts falling due within 1 year	(70,309)	4,612	(65,697)
Debts falling due after 1 year	(1,013,558)	90,388	(923,170)
	(1,374,093)	132,617	(1,241,476)
Total	(310,382)	53,683	(256,699)

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

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

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill
Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and, where appropriate, amortised over its useful life of 5 years.

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	2% on cost
Plant and machinery	-	15% on reducing balance
Fixtures and fittings	-	25% on cost and 15% on reducing balance
Motor vehicles	-	25% on reducing balance and 20% on reducing balance

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

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

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

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

Current or deferred taxation assets and liabilities are not discounted.

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

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

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

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

3. **EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	3,726,487	3,386,730
Social security costs	365,905	306,076
Other pension costs	130,936	148,021
	4,223,328	3,840,827

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

	2023	2022
Production staff	90	90
Administration staff	21	21
Directors	5	5
	116	116

	2023	2022
	£	£
Directors' remuneration	339,526	292,226
Directors' pension contributions to money purchase schemes	26,877	24,945

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	150,960	120,709
Pension contributions to money purchase schemes	13,399	12,555

continued...

4. OPERATING PROFIT

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

	2023	2022
	£	£
Hire of plant and machinery	9,468	26,639
Other operating leases	53,812	52,670
Depreciation - owned assets	248,547	262,070
Profit on disposal of fixed assets	(4,859)	(4,110)
Auditors' remuneration	5,662	3,350
Foreign exchange differences	(21)	-

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank loan interest	10,458	2,564
Factoring charges	6,049	7,004
Late payment interest	-	2
Hire purchase	11,985	15,817
Preference share dividend	80,220	80,220
	108,712	105,607

6. TAXATION

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	247,243	228,177
Under/(over) provision	(927)	-
Total current tax	246,316	228,177
Deferred tax:		
Deferred tax	9,019	42,633
Prior year deferred tax	969	-
Total deferred tax	9,988	42,633
Tax on profit	256,304	270,810

continued...

7. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

	2023	2022
	£	£
Ordinary shares shares of £1 each		
Interim	410,000	196,000

9. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill
	£
Cost	
At 1 April 2022	
and 31 March 2023	25,000
Amortisation	
At 1 April 2022	
and 31 March 2023	25,000
Net book value	
At 31 March 2023	-
At 31 March 2022	-

continued...

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 April 2022	1,324,559	3,033,365	229,237	719,884	5,307,045
Additions	-	177,467	7,768	55,975	241,210
Disposals	-	(40,804)	(2,336)	(43,483)	(86,623)
At 31 March 2023	1,324,559	3,170,028	234,669	732,376	5,461,632
Depreciation					
At 1 April 2022	577,728	2,063,143	187,934	511,171	3,339,976
Charge for year	26,492	155,178	16,051	50,826	248,547
Eliminated on disposal	-	(31,200)	(2,294)	(38,803)	(72,297)
At 31 March 2023	604,220	2,187,121	201,691	523,194	3,516,226
Net book value					
At 31 March 2023	720,339	982,907	32,978	209,182	1,945,406
At 31 March 2022	746,831	970,222	41,303	208,713	1,967,069

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost					
At 1 April 2022	1,324,559	2,445,590	218,742	719,883	4,708,774
Additions	-	148,425	6,934	55,975	211,334
Disposals	-	(40,804)	(2,336)	(43,483)	(86,623)
At 31 March 2023	1,324,559	2,553,211	223,340	732,375	4,833,485
Depreciation					
At 1 April 2022	577,728	1,668,750	180,901	511,171	2,938,550
Charge for year	26,492	124,293	15,438	50,826	217,049
Eliminated on disposal	-	(31,200)	(2,294)	(38,803)	(72,297)
At 31 March 2023	604,220	1,761,843	194,045	523,194	3,083,302
Net book value					
At 31 March 2023	720,339	791,368	29,295	209,181	1,750,183
At 31 March 2022	746,831	776,840	37,841	208,712	1,770,224

 continued...

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
Cost	
At 1 April 2022	
and 31 March 2023	20,001
Net book value	
At 31 March 2023	20,001
At 31 March 2022	20,001

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Shropshire Galvanizers Limited
Registered office:
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

	2023 £	2022 £
Aggregate capital and reserves	1	(399,999)

Zinco International Limited
Registered office:
Nature of business: Technical services

Class of shares:	% holding
Ordinary	100.00

	2023 £	2022 £
Aggregate capital and reserves	272,516	213,179
Profit/(loss) for the year	59,337	(5,907)

continued...

12. STOCKS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Stocks	1,200,133	912,136	1,150,622	865,145
Work-in-progress	176,560	196,268	176,560	196,268
	1,376,693	1,108,404	1,327,182	1,061,413

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	2,099,056	2,022,688	1,919,335	1,885,580
Amounts owed by group undertakings	-	-	71,227	45,843
Invoice discounting deposits	1,610	435,061	1,610	435,061
Prepayments and accrued income	101,358	46,298	101,358	44,295
	2,202,024	2,504,047	2,093,530	2,410,779

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 16)	65,697	70,321	65,697	70,321
Hire purchase contracts (see note 17)	124,423	121,469	94,813	88,456
Trade creditors	552,910	761,070	386,683	627,320
Amounts owed to group undertakings	-	-	43,251	1
Tax	247,203	228,177	235,208	222,310
Social security and other taxes	81,738	83,831	78,884	80,806
VAT	147,149	315,137	137,536	317,689
Other creditors	44,556	312,306	25,028	286,628
Accruals and deferred income	160,586	175,664	72,772	107,782
	1,424,262	2,067,975	1,139,872	1,801,313

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 16)	145,970	211,358	145,970	211,358
Preference shares (see note 16)	777,200	802,200	777,200	802,200
Hire purchase contracts (see note 17)	128,186	168,757	128,186	139,147
	1,051,356	1,182,315	1,051,356	1,152,705

continued...

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	12	-	12
Bank loans	65,697	70,309	65,697	70,309
	65,697	70,321	65,697	70,321
Amounts falling due between one and two years:				
Preference shares	777,200	802,200	777,200	802,200
Amounts falling due between two and five years:				
Bank loans - 2-5 years	145,970	211,358	145,970	211,358

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid

Number:	Class:	Nominal Value:	2022 £	2021 £
777,200	Redeemable preference shares	£1	777,200	802,200

The redeemable preference shares carry the right to a fixed cumulative preferential dividend at the rate of 10% per annum, and are redeemable at the option of the company.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	124,423	121,469
Between one and five years	128,186	168,757
	252,609	290,226

continued...

17. **LEASING AGREEMENTS - continued**

Company

	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	94,813	88,456
Between one and five years	128,186	139,147
	222,999	227,603

Company

	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	29,568	126,956
Between one and five years	182,420	121,883
In more than five years	15,500	49,083
	227,488	297,922

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Company	
	2023	2022
	£	£
Bank overdraft	-	12
Bank loans	211,667	281,667
	211,667	281,679

The company's overdraft facility is repayable on demand but subject to periodic review. The overdraft is secured by an unlimited debenture incorporating a first legal charge over the land and buildings from where the company operates in Hereford and also Plots 12 and 13 Mile End Business Park, Oswestry and Land and buildings at Westfield Trading Estate, Grandstand Road, Hereford along with the Land & Gantry adjoining Grandstand Road land.

19. **PROVISIONS FOR LIABILITIES**

	Group		**Company**	
	2023	2022	2023	2022
	£	£	£	£
Deferred tax	291,848	281,860	246,260	236,574

continued...

19. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax
	£
Balance at 1 April 2022	281,860
Provided during year	9,019
Tax rate adjustment	969
Balance at 31 March 2023	291,848

Company

	Deferred tax
	£
Balance at 1 April 2022	236,574
Accelerated capital allowances	8,717
Amendment to prior year	969
Balance at 31 March 2023	246,260

Following the enacted increase in Corporation Tax rate to 25% from 1 April 2023, the company has provided additional deferred tax on accelerated capital allowances as it is expected that any reversal of this provision will be at a time when the increased rates will apply.

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023	2022
			£	£
17,840	Ordinary shares	£1	17,840	17,840

21. **RESERVES**

Group

	Retained earnings
	£
At 1 April 2022	3,093,253
Profit for the year	1,040,341
Dividends	(410,000)
At 31 March 2023	3,723,594

continued...

21. **RESERVES - continued**

Company

	Retained earnings £
At 1 April 2022	2,900,073
Profit for the year	981,005
Dividends	(410,000)
At 31 March 2023	3,471,078