

BOLT & NUT MANUFACTURING HOLDINGS LIMITED

Group Strategic Report, Report of the Director and

Consolidated Financial Statements for the Year Ended 31 December 2022

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX



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for the Year Ended 31 December 2022**

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BOLT & NUT MANUFACTURING HOLDINGS LIMITED

**Company Information
for the Year Ended 31 December 2022**

DIRECTOR:

M J Smith

REGISTERED OFFICE:

Cannon Business Park
Gough Road
Coseley
West Midlands
WV14 8XR

REGISTERED NUMBER:

12334705 (England and Wales)

AUDITORS:

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

**Group Strategic Report
for the Year Ended 31 December 2022**

The director presents his strategic report of the company and the group for the year ended 31 December 2022.

REVIEW OF BUSINESS

2022 has been a year of significant growth in turnover and profitability further building from prior year which was seen more as a recovery period following the COVID affected performance that straddled financial years 2020 and 2021.

As shown in the group's profit and loss account set out on page 8 the group achieved a turnover of £12,774,869 (2021: £9,718,129) representing growth of over 31% and made a profit after tax of £1,507,362 (2021: £661,519)

The group's Balance Sheet on Page 10 shows that the financial position further strengthened closing with net assets valued at £1,862,245 (2021: £829,514) supported and driven by significant investments in our manufacturing facilities as our programme of process improvement continued.

Manufacturing quality is key for the group and the investments made have been specifically targeted to boost productivity and improve quality to ensure that margins are protected from rising costs so as to help us maintain our competitive edge. All of our manufacturing processes are controlled and audited to strict worldwide industry standards.

Focus remained throughout on maintaining our high levels of customer service, a disciplined approach to cost management and streamlining operational processes, improving efficiency and reducing waste through our continued programme of capital investment and modernisation of manufacturing methods.

Despite input cost pressures mentioned margins held up well recording an increase over last year, a reflection of the internal improvements made and enabling us to remain competitive in a very tough market.

The group shareholder funds at the financial year end as shown on page 10 rose to £1,099,453 (2021: £508,659) with retained earnings increasing by £575,564.

The commitment and huge effort of our employees has meant that in this period under review we are delighted to have delivered both turnover and profit growth reflecting the strength and resilience of the business.

STRATEGIC PRIORITIES

The group will focus on the continuous improvement to customer service levels, to further exploit and grow profitable market opportunities with both strategic customers and suppliers in our market, and to continue with the development of our product offering with the mission to become the first -choice premier provider of quality bolting and fastener solutions both in the UK and worldwide.

Commitment remains to our programme of capital investment which is targeted to further improve manufacturing capabilities, explore new market opportunities and to reduce overall unit costs of manufacturing.

OUTLOOK

The outlook is one of continued optimism, underpinned by a strong and growing order book.

New business enquiries and customer take on levels have increased and we are also seeing activity grow, enjoying many repeat orders from existing customers.

Work continues, however to defend significant price rises particularly in production input costs, notably energy related.

Further expansion is planned in 2023 in terms of the group's footprint by taking on extra manufacturing and storage units, thus adding capacity and securing our long term, single site occupancy footprint.

The group will also be investing in modern, industry recognised ERP systems as a major project in 2023 to further support and grow our business profitably.

**Group Strategic Report
for the Year Ended 31 December 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The group's activities expose it to several financial risks:

Cashflow Risk - The group manages cashflow closely at all levels within the business and has more than adequate funding to manage fluctuations in working capital.

Credit Risk - The credit risk is primarily attributed to its trade receivables. The company has credit insurance for the majority of its debtors and works with many low-risk customers who operate globally and which are of a high credit standing. The amounts presented in the financial statements are net of allowances for doubtful receivables.

Foreign Exchange Risk - This is minimised wherever possible by acquiring foreign currency via debtor receipts which the group holds in its foreign currency bank accounts thus providing a natural hedge through its global trading activities.

Price Risk - As with the wider industry in general the group is exposed to the changing price of raw materials and energy in particular which are mitigated by internal production efficiencies strong cost controls and by passing on certain increases through premium pricing based on consistent on-time/in-full, service deliveries.

Development and Performance - despite the challenges faced throughout the year the Directors are pleased with the overall performance and progress made and considers that the group has the necessary resources available to continue with its investment strategy and working capital needs over the coming months to continue to support a sustainable level of profit and to take advantage of any business development opportunities as they arise.

Key Performance Indicators - The key financial indicators for the performance of the group are turnover and gross profit margin. The key non-financial indicators being customer service delivery and satisfaction levels. Across both financial and non-financial indicators, the group has consistently not only met but beaten its internally set KPI's in the year under review.

FINANCIAL RISK

The group is exposed to variety of financial risks and undertakes regular reviews to identify such risks and wherever possible put processes in place to mitigate such risks.

LIQUIDITY RISK

Liquidity risk arises from the group's management of working capital and the finance charges on its debt instruments. It is the risk the group will encounter difficulty in meeting its financial obligations as they fall due.

The group prepares rolling cashflow forecasts. Here debtor and creditor positions are reviewed as are current availability from invoice finance and bank account balances. The financial statements are prepared on a going concern basis as it is expected that the group can meet obligations as they fall due.

INTEREST RATE RISK

The group considers that the current interest rate risk is adequately covered through operating profit.

ON BEHALF OF THE BOARD:



M J Smith - Director

31 August 2023

**Report of the Director
for the Year Ended 31 December 2022**

The director presents his report with the financial statements of the company and the group for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of manufacture and supply of fasteners including high integrity bolting for the oil, gas and petrochemical industries.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2022 will be £205,231.

DIRECTOR

M J Smith held office during the whole of the period from 1 January 2022 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M J Smith, Director

31 August 2023

Report of the Independent Auditors to the Members of Bolt & Nut Manufacturing Holdings Limited

Opinion

We have audited the financial statements of Bolt & Nut Manufacturing Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other 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 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Bolt & Nut Manufacturing Holdings Limited

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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the group or the parent company or to cease operations, or has 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:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risk of material misstatement due to fraud or error, and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected even though the audit is properly planned and performed in accordance with ISAs (UK).

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, our procedures included the following:

- we obtained an understanding of the legal and regulatory frameworks applicable to the Company and the sector in which they operate. We determined that the following laws and regulations were most significant: The Companies Act 2006 and UK corporate taxation laws.

- we obtained an understanding of how the Company are complying with those legal and regulatory frameworks by making inquiries of the Company's management, and considering available audit information.

We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud.
- understanding how management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
- challenging assumptions and judgments made by management in its significant accounting estimates
- identifying and testing journal entries as deemed necessary during the audit and, in particular reviewing material journal entries posted with unusual accounting combinations.
- assessing the extent of compliance with the relevant laws and regulations.

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.

**Report of the Independent Auditors to the Members of
Bolt & Nut Manufacturing Holdings Limited**

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.

Michael Duffy Partnership Ltd

Robert Maclaren FCCA (Senior Statutory Auditor)
for and on behalf of Michael Duffy Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

31 August 2023

BOLT & NUT MANUFACTURING HOLDINGS LIMITED (REGISTERED NUMBER: 12334705)**Consolidated
Income Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
TURNOVER	3	12,774,869	9,718,129
Cost of sales		7,320,828	5,899,975
GROSS PROFIT		5,454,041	3,818,154
Administrative expenses		3,497,681	3,148,981
		1,956,360	669,173
Other operating income		-	176,544
OPERATING PROFIT	5	1,956,360	845,717
Interest payable and similar expenses	7	26,672	29,050
PROFIT BEFORE TAXATION		1,929,688	816,667
Tax on profit	8	422,326	155,148
PROFIT FOR THE FINANCIAL YEAR		1,507,362	661,519
Profit attributable to:			
Owners of the parent		1,021,802	406,620
Non-controlling interests		485,560	254,899
		1,507,362	661,519

The notes form part of these financial statements

BOLT & NUT MANUFACTURING HOLDINGS LIMITED (REGISTERED NUMBER: 12334705)

**Consolidated
Other Comprehensive Income
for the Year Ended 31 December 2022**

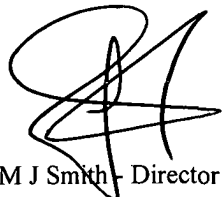
Notes	2022 £	2021 £
PROFIT FOR THE YEAR	1,507,362	661,519
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,507,362</u>	<u>661,519</u>
Total comprehensive income attributable to:		
Owners of the parent	1,021,802	406,620
Non-controlling interests	<u>485,560</u>	<u>254,899</u>
	<u>1,507,362</u>	<u>661,519</u>

The notes form part of these financial statements

BOLT & NUT MANUFACTURING HOLDINGS LIMITED (REGISTERED NUMBER: 12334705)**Consolidated Balance Sheet
31 December 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	11	1,405,079	1,682,341
Tangible assets	12	1,141,086	1,004,793
Investments	13	-	-
		<u>2,546,165</u>	<u>2,687,134</u>
CURRENT ASSETS			
Stocks	14	4,153,766	3,124,932
Debtors	15	2,578,813	1,862,739
Cash at bank		203,933	193,933
		<u>6,936,512</u>	<u>5,181,604</u>
CREDITORS			
Amounts falling due within one year	16	<u>4,826,563</u>	<u>3,622,128</u>
NET CURRENT ASSETS		<u>2,109,949</u>	<u>1,559,476</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,656,114</u>	<u>4,246,610</u>
CREDITORS			
Amounts falling due after more than one year	17	(2,530,622)	(3,248,951)
PROVISIONS FOR LIABILITIES	21	<u>(263,247)</u>	<u>(168,145)</u>
NET ASSETS		<u><u>1,862,245</u></u>	<u><u>829,514</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	15,230	15,230
Retained earnings	23	<u>1,084,223</u>	<u>508,659</u>
SHAREHOLDERS' FUNDS		<u>1,099,453</u>	<u>523,889</u>
NON-CONTROLLING INTERESTS	24	<u>762,792</u>	<u>305,625</u>
TOTAL EQUITY		<u><u>1,862,245</u></u>	<u><u>829,514</u></u>

The financial statements were approved by the director and authorised for issue on 31 August 2023 and were signed by:



M J Smith - Director

The notes form part of these financial statements

BOLT & NUT MANUFACTURING HOLDINGS LIMITED (REGISTERED NUMBER: 12334705)**Company Balance Sheet
31 December 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	3,827,345	3,706,745
		<u>3,827,345</u>	<u>3,706,745</u>
CURRENT ASSETS			
Debtors	15	2,101	2,101
Cash at bank		12,500	12,500
		<u>14,601</u>	<u>14,601</u>
CREDITORS			
Amounts falling due within one year	16	769,795	495,241
NET CURRENT LIABILITIES		<u>(755,194)</u>	<u>(480,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,072,151	3,226,105
CREDITORS			
Amounts falling due after more than one year	17	2,199,450	2,639,232
NET ASSETS		<u>872,701</u>	<u>586,873</u>
CAPITAL AND RESERVES			
Called up share capital	22	15,230	15,230
Retained earnings	23	857,471	571,643
SHAREHOLDERS' FUNDS		<u>872,701</u>	<u>586,873</u>
Company's profit for the financial year		<u>491,059</u>	<u>435,192</u>

The financial statements were approved by the director and authorised for issue on 31 August 2023 and were signed by:



M J Smith - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2021	15,230	251,403	266,633	158,026	424,659
Changes in equity					
Dividends	-	(149,364)	(149,364)	(107,300)	(256,664)
Total comprehensive income	-	406,620	406,620	254,899	661,519
Balance at 31 December 2021	<u>15,230</u>	<u>508,659</u>	<u>523,889</u>	<u>305,625</u>	<u>829,514</u>
Changes in equity					
Dividends	-	(205,231)	(205,231)	(148,800)	(354,031)
Total comprehensive income	-	1,021,802	1,021,802	485,560	1,507,362
Purchase of NCI	-	(120,600)	(120,600)	-	(120,600)
Revaluation of NCI	-	(120,407)	(120,407)	120,407	-
Balance at 31 December 2022	<u>15,230</u>	<u>1,084,223</u>	<u>1,099,453</u>	<u>762,792</u>	<u>1,862,245</u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	15,230	285,815	301,045
Changes in equity			
Dividends	-	(149,364)	(149,364)
Total comprehensive income	-	435,192	435,192
Balance at 31 December 2021	<u>15,230</u>	<u>571,643</u>	<u>586,873</u>
Changes in equity			
Dividends	-	(205,231)	(205,231)
Total comprehensive income	-	491,059	491,059
Balance at 31 December 2022	<u>15,230</u>	<u>857,471</u>	<u>872,701</u>

The notes form part of these financial statements

BOLT & NUT MANUFACTURING HOLDINGS LIMITED (REGISTERED NUMBER: 12334705)

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	1,228,355	1,034,273
Interest paid		(9,426)	(15,781)
Interest element of hire purchase payments paid		(17,246)	(13,269)
Notional interest		-	12,209
Tax paid		(150,391)	(90,289)
Net cash from operating activities		<u>1,051,292</u>	<u>927,143</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(72,114)	(21,425)
Sale of tangible fixed assets		2,000	-
Purchase of NCI		(60,300)	-
Net cash from investing activities		<u>(130,414)</u>	<u>(21,425)</u>
Cash flows from financing activities			
Loan repayments in year		(502,422)	(634,624)
Capital repayments in year		(104,425)	(94,123)
Amount introduced by directors		50,000	50,000
Equity dividends paid		(205,231)	(149,364)
Dividends paid to minority interests		(148,800)	(107,300)
Net cash from financing activities		<u>(910,878)</u>	<u>(935,411)</u>
Increase/(decrease) in cash and cash equivalents		<u>10,000</u>	<u>(29,693)</u>
Cash and cash equivalents at beginning of year	2	193,933	223,626
Cash and cash equivalents at end of year	2	<u><u>203,933</u></u>	<u><u>193,933</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2022**

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

	2022 £	2021 £
Profit before taxation	1,929,688	816,667
Depreciation charges	399,106	382,434
Profit on disposal of fixed assets	(122)	-
Write off other loan	(140,874)	-
Finance costs	26,672	29,050
	<u>2,214,470</u>	<u>1,228,151</u>
(Increase)/decrease in stocks	(1,028,834)	181,509
Increase in trade and other debtors	(716,074)	(562,848)
Increase in trade and other creditors	758,793	187,461
	<u>1,228,355</u>	<u>1,034,273</u>
Cash generated from operations		

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 December 2022

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>203,933</u>	<u>193,933</u>

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>193,933</u>	<u>223,626</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.22 £	Cash flow £	Other non-cash changes £	At 31.12.22 £
Net cash				
Cash at bank	<u>193,933</u>	<u>10,000</u>		<u>203,933</u>
	<u>193,933</u>	<u>10,000</u>		<u>203,933</u>
Debt				
Finance leases	(225,112)	104,425	(187,900)	(308,587)
Debts falling due within 1 year	(414,457)	(85,325)	(60,300)	(560,082)
Debts falling due after 1 year	<u>(3,097,716)</u>	<u>778,620</u>	<u>-</u>	<u>(2,319,096)</u>
	<u>(3,737,285)</u>	<u>797,720</u>	<u>(248,200)</u>	<u>(3,187,765)</u>
Total	<u>(3,543,352)</u>	<u>807,720</u>	<u>(248,200)</u>	<u>(2,983,832)</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Bolt & Nut Manufacturing Holdings 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

Bolt & Nut Manufacturing Holdings Ltd has taken advantage of the FRS102 reduced disclosure exemption to not provide an individual cash flow statement as this is provided for the group as a whole.

Significant judgements and estimates

Certain of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies

- The director must judge whether all the conditions required for revenues to be recognised in the Statement of income and retained earnings for the financial year have been met.

Sources of estimation

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involves.

- Bad debt provisions are based on the estimated recoverability of debtors at the year end.

- Work in Progress, included in stock, is based on materials cost plus a proportion of associated labour and other costs.

- Accruals provisions have been made for expenses relating to the year expected to be incurred in future months.

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

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of eight years.

Goodwill has been calculated on acquiring control of the business assets of Bolt and Nut Manufacturing limited on 19/12/2019.

The amount recorded as goodwill is the committed payments less the fair value of business assets of Bolt & Nut Manufacturing Limited.

The company agreed to pay £3,706,745 to obtain 72.73% share of the business assets, which will be paid over an 8 year period.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 20% on reducing balance

Tangible fixed assets are recorded at brought in cost.

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.

Stock includes finished goods, raw materials, tooling and work in progress. It includes all costs to bring to present location and condition by including apportioned labour and overhead.

Stock is tested for impairment and is reduced to its net realisable value if lower than cost and an impairment is recognized in the income statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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.

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.

Foreign currencies

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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.

Going concern

These financial statements have been prepared on a going concern basis. The Directors anticipate that the company will continue to be profitable in the forthcoming period and in the foreseeable future and will maintain positive cash flow, sufficient to meet its finance obligations as they fall due.

Debtors

Short term debtors are measured at transaction price.

Creditors

Short term creditors are measured at transaction price.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	2,976,931	3,386,329
Europe	6,667,916	4,022,539
South America	296,343	24,048
Asia	561,524	301,725
North America	2,191,612	1,974,910
Africa	80,543	8,578
	<u>12,774,869</u>	<u>9,718,129</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	2,931,405	2,545,474
Social security costs	309,470	239,649
Other pension costs	93,810	82,404
	<u>3,334,685</u>	<u>2,867,527</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

4. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021
Production	46	50
Sales	21	16
Purchases	5	4
Accounts/Administration	7	8
Directors	8	8
	<u>87</u>	<u>86</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 87 (2021 - 86).

	2022	2021
	£	£
Director's remuneration	21,400	21,400
Director's pension contributions to money purchase schemes	<u>12,000</u>	<u>12,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>1</u>	<u>1</u>

5. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	17,628	9,947
Depreciation - owned assets	92,543	72,432
Depreciation - assets on hire purchase contracts	29,300	32,713
Profit on disposal of fixed assets	(122)	-
Goodwill amortisation	277,262	277,289
Auditors' remuneration	9,000	8,000
Foreign exchange differences	(89,014)	1,593
Operating leases - property rent	218,334	208,254
Operating leases - other	96,112	70,809
Government Grants	<u>-</u>	<u>(176,544)</u>

6. EXCEPTIONAL ITEMS

	2022	2021
	£	£
Exceptional items	<u>140,874</u>	<u>-</u>

Exceptional items comprise the write off of an other loan balance (creditor)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank loan interest	9,426	3,572
Loan	-	12,209
Hire purchase interest	17,246	13,269
	<u>26,672</u>	<u>29,050</u>

8. TAXATION

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	327,224	156,871
Deferred tax	95,102	(1,723)
Tax on profit	<u>422,326</u>	<u>155,148</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>1,929,688</u>	<u>816,667</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	366,641	155,167
Effects of:		
Expenses not deductible for tax purposes	8,526	3,087
Research and Development Claim prior years	(58,591)	(52,111)
Goodwill amortisation	51,908	51,908
Deferred tax opening position	5,484	(5,223)
Interest on Loan	-	2,320
Capital allowances related to super deduction allowance	(14,821)	-
Change in deferred tax rate	63,179	-
Total tax charge	<u>422,326</u>	<u>155,148</u>

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	2022	2021
	£	£
Interim	<u>205,231</u>	<u>149,364</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 January 2022	
and 31 December 2022	2,236,946
AMORTISATION	
At 1 January 2022	554,605
Amortisation for year	277,262
At 31 December 2022	831,867
NET BOOK VALUE	
At 31 December 2022	1,405,079
At 31 December 2021	1,682,341

12. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2022	1,018,852	193,999	1,212,851
Additions	230,633	29,381	260,014
Disposals	(2,856)	-	(2,856)
At 31 December 2022	1,246,629	223,380	1,470,009
DEPRECIATION			
At 1 January 2022	172,173	35,885	208,058
Charge for year	100,655	21,188	121,843
Eliminated on disposal	(978)	-	(978)
At 31 December 2022	271,850	57,073	328,923
NET BOOK VALUE			
At 31 December 2022	974,779	166,307	1,141,086
At 31 December 2021	846,679	158,114	1,004,793

The net book value of tangible fixed assets includes £440,271 (2021 - £341,228) in respect of assets held under hire purchase contracts.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

13. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2022	3,706,745
Additions	120,600
	<hr/>
At 31 December 2022	3,827,345
	<hr/>
NET BOOK VALUE	
At 31 December 2022	3,827,345
	<hr/>
At 31 December 2021	3,706,745
	<hr/>

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

Subsidiary

Bolt & Nut Manufacturing Limited

Registered office: England & Wales

Nature of business: Manufacture of Bolts & Nuts

	2022 %	2021 %
Class of shares:	holding	holding
Ordinary	82.55	82.55
A	100.00	70.22
C	36.68	36.68
D	100.00	100.00
E	33.33	33.33
Overall	77.73%	72.73%

	2022 £	2021 £
Aggregate and capital reserves	3,425,512	2,284,805
Profit for the year	1,140,707	388,874

On the 16th December 2022, Bolt & Nut Manufacturing Holdings Limited acquired 15,229 A Ordinary shares of Bolt & Nut Manufacturing Limited for a total consideration of £120,000. The shareholding as at the balance sheet date is detailed above.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

14. STOCKS

	Group	
	2022	2021
	£	£
Raw material and tooling	863,113	793,580
Work-in-progress	692,279	230,839
Finished goods	2,598,374	2,100,513
	<u>4,153,766</u>	<u>3,124,932</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	2,201,883	1,489,862	-	-
Other debtors	48,807	99,151	2,101	2,101
VAT	87,870	68,112	-	-
Prepayments	240,253	205,614	-	-
	<u>2,578,813</u>	<u>1,862,739</u>	<u>2,101</u>	<u>2,101</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 18)	60,000	78,629	-	-
Other loans (see note 18)	500,082	335,828	500,082	335,828
Hire purchase contracts (see note 19)	97,061	73,877	-	-
Trade creditors	1,329,444	622,132	-	-
Invoice finance	1,675,897	1,651,634	-	-
Amounts owed to group undertakings	-	-	163,463	153,163
Tax	385,815	208,982	-	-
Social security and other taxes	66,244	60,120	-	-
Other creditors	189,612	164,041	-	-
Directors' current accounts	150,000	50,000	100,000	-
Accrued expenses	372,408	376,885	6,250	6,250
	<u>4,826,563</u>	<u>3,622,128</u>	<u>769,795</u>	<u>495,241</u>

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 18)	145,001	205,000	-	-
Other loans (see note 18)	2,174,095	2,892,716	2,199,450	2,639,232
Hire purchase contracts (see note 19)	211,526	151,235	-	-
	<u>2,530,622</u>	<u>3,248,951</u>	<u>2,199,450</u>	<u>2,639,232</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	60,000	78,629	-	-
Other loans	500,082	335,828	500,082	335,828
	<u>560,082</u>	<u>414,457</u>	<u>500,082</u>	<u>335,828</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	60,000	60,000	-	-
Other loans - 1-2 years	439,962	439,872	439,962	439,872
	<u>499,962</u>	<u>499,872</u>	<u>439,962</u>	<u>439,872</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	85,001	145,000	-	-
Other loans - 2-5 years	1,294,261	1,573,100	1,319,616	1,319,616
	<u>1,379,262</u>	<u>1,718,100</u>	<u>1,319,616</u>	<u>1,319,616</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans more 5yrs instal	<u>439,872</u>	<u>879,744</u>	<u>439,872</u>	<u>879,744</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	97,061	73,877
Between one and five years	211,526	151,235
	<u>308,587</u>	<u>225,112</u>

Group

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	283,450	268,856
Between one and five years	409,501	609,428
	<u>692,951</u>	<u>878,284</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Hire purchase contracts	308,587	225,112
Invoice Finance	1,657,897	1,651,634
Bank loans	205,000	283,629
	<u>2,171,484</u>	<u>2,160,375</u>

Hire purchase balances are secured on the relevant assets to which they relate.

Invoice Finance liability is secured on the debtors and certain stock.

Bank Loans are primarily a CBILS loan and security is by means of a charge on the company assets.

21. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax	<u>263,247</u>	<u>168,145</u>

Group	
	Deferred tax
	£
Balance at 1 January 2022	168,145
accelerated capital allowances	<u>95,102</u>
Balance at 31 December 2022	<u>263,247</u>

The deferred tax balance is wholly attributable to timing differences arising from accelerated capital allowances.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
15,230	Ordinary	£1	<u>15,230</u>	<u>15,230</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

23. RESERVES

Group

	Retained earnings £
At 1 January 2022	508,659
Profit for the year	1,021,802
Dividends	(205,231)
Purchase of NCI	(120,600)
Revaluation of NCI	(120,407)
At 31 December 2022	<u>1,084,223</u>

Company

	Retained earnings £
At 1 January 2022	571,643
Profit for the year	491,059
Dividends	(205,231)
At 31 December 2022	<u>857,471</u>

24. NON-CONTROLLING INTERESTS

Non controlling interests which have been adjusted for a follows;

	2022	2021
Brought forward	305,625	158,026
Minority interest share of profits/(loss)	485,560	254,899
Dividends paid to minority interests	(148,800)	(107,300)
Revaluation of NCI	120,407	-
Carried forward	<u>762,792</u>	<u>305,625</u>

25. PENSION COMMITMENTS

The group has a commitment to pay £9,274 (2021 £8,118) which will be paid in next financial year.

26. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>110,051</u>	<u>-</u>

27. RELATED PARTY DISCLOSURES

During the year, total dividends of £205,231 (2021 - £149,364) were paid to the director.

During the year, a total of key management personnel compensation of £31,375 was paid.