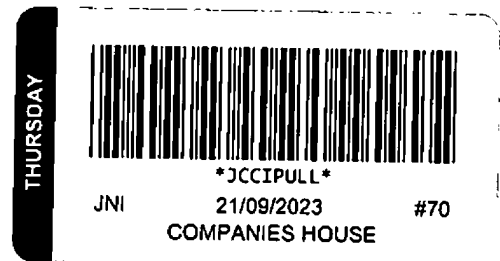


**MAINE SURFACE FINISHING LIMITED
AND SUBSIDIARY COMPANY**

**REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 2022**



**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

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Directors and advisors	1
Directors' report	2 - 3
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Consolidated balance sheet	9
Company balance sheet	10
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Company and consolidated statements of changes in equity	12
Consolidated statement of cash flows	13
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**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

DIRECTORS AND ADVISORS

Directors:

Mr Eugene Dixon
Mr Adrian Dixon
Mrs Beverley Dixon

Secretary and Registered Office:

Mrs. Beverley Dixon
42 Galdanagh Road
Dunloy
BT44 9DB

Registered Auditors:

Stevenson and Wilson
Chartered Accountants and
Registered Auditors
22 - 30 Broadway Avenue
Ballymena
BT43 7AA

Bankers:

First Trust
92 Ann Street
Belfast
BT1 3HH

MAINE SURFACE FINISHING LIMITED CONSOLIDATED ACCOUNTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2022

The Directors present their report and the audited financial statements for the year ended 31st December 2022.

Directors

The Directors who served the office during the year were as follows:

Mr Eugene Dixon
Mr Adrian Dixon
Mrs Beverley Dixon

Statement of Directors' responsibilities

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 which give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with The Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each Director has taken 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. The Directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Dividends

Dividends of £105,000 were paid for the year (2021: £126,000).

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

Required disclosures dealt with in the Strategic report

In accordance with the provisions of s414C(11) of the Companies Act 2006, the following matters, otherwise required for inclusion in the Directors' Report, have been included in the Strategic Report:

- Review of business and likely future developments in the Group and Company;
- Research and development activities; and
- Financial instruments incorporating financial risk management objectives and policies.

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements.

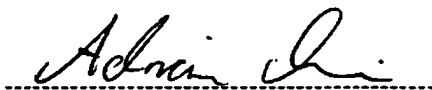
Auditors

The auditors Stevenson and Wilson are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 August 2023 and signed its behalf by:



Mr Eugene Dixon
Director



Mr Adrian Dixon
Director

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**STRATEGIC REPORT FOR THE YEAR
ENDED 31st DECEMBER 2022**

Principal activities

The principal activities of the Group include the provision of sub contract fabrications and assembly services and application of industrial coatings.

Maine Surface Finishing Limited acquired 100% of the share capital of Smyth Steel Limited on 25 August 2022. The acquisition strengthens their position in the steel fabrication market and further enhances the infrastructure required for future growth.

Review of business and future developments

The key performance indicators are as follows:-

	2022	2021
	£'000	£'000
Turnover	31,921	21,594
Gross profit	7,072	4,699
Profit/(loss) before taxation	2,292	1,194
Total shareholders' funds	7,680	6,077

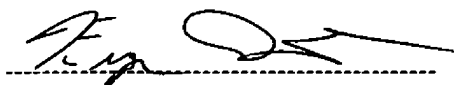
Principal risks and uncertainties

The Board of Directors are conscious of the financial risks arising from liquidity, credit, interest rate and exchange issues. These factors and their impact on the financial position of the company are regularly reviewed with controls implemented to reduce the exposure in these areas.

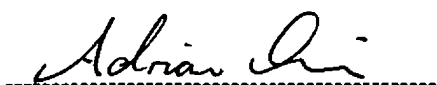
Research and development

The Group continues to carry out research and development on a number of projects. These innovative projects will enable the Group to continue to operate at the forefront of new technology.

Approved by the Board on 22 August 2023 and signed its behalf by:



Mr Eugene Dixon
Director



Mr Adrian Dixon
Director

**INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF MAINE SURFACE FINISHING LIMITED**
(Company Registration Number NI 060197)

Opinion

We have audited the financial statements of Maine Surface Finishing Limited (the 'parent company') and its subsidiary (together the 'Group') for the year ended 31st December 2022 which comprise The Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Comprehensive Income, Company Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. 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 entity'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 included in the annual report, 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.

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud is detailed below:

- We identified the laws and regulations applicable to the company through discussions with directors and key personnel, and from our own knowledge and experience of the automotive industry. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation legislation, while also giving consideration to data protection regulations, employment law and health and safety legislation.
- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and the team remained alert to the possibility of fraud and non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. We did so through discussions with management as to their assessment of areas where fraud or non-compliance might occur, as well as considering the internal controls in place to mitigate risks of fraud and non-compliance.
- In order to ascertain the extent of compliance with the laws and regulations, we made enquiries of management as to whether there was any actual or potential litigation, we reviewed legal correspondence, we inspected tax correspondence and we performed analytical procedures to identify any unusual or unexpected activity.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sean McIlhatton
Senior Statutory Auditor

for and on behalf of:
Stevenson and Wilson, Statutory Auditor

22 - 30 Broadway Avenue
Ballymena
BT43 7AA

22 August 2023

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	31,921,236	21,594,163
Cost of sales		(24,848,998)	(16,895,277)
Gross profit		7,072,238	4,698,886
Administrative expenses		(4,893,679)	(3,718,696)
		2,178,559	980,190
Other operating income	4	219,091	240,206
Operating (loss)/profit	5	2,397,650	1,220,396
Interest payable and similar charges	6	(105,106)	(25,925)
Profit before taxation		2,292,544	1,194,471
Taxation	9	(584,327)	-
Profit for the year		1,708,217	1,194,471

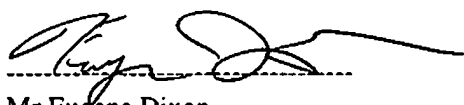
The notes on pages 16 to 29 form part of these financial statements.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

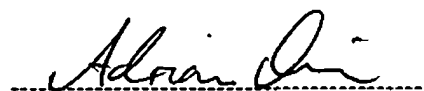
**CONSOLIDATED BALANCE SHEET
AS AT 31st DECEMBER 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	6,594,584	2,645,529
Goodwill	13	334,189	-
		-----	-----
		6,928,773	2,645,529
		-----	-----
Current assets			
Stocks	15	5,207,590	2,562,289
Debtors	16	6,877,418	4,756,266
Cash at bank and in hand		484,383	1,047,507
		-----	-----
		12,569,391	8,366,062
		-----	-----
Creditors: due within one year	18	7,715,407	4,082,593
		-----	-----
Net current assets		4,853,984	4,283,469
		-----	-----
Total assets less current liabilities		11,782,757	6,928,998
		-----	-----
Creditors due after one year	18	3,930,222	851,793
Provisions for liabilities and charges	19	172,113	-
		-----	-----
Net assets		7,680,422	6,077,205
		=====	=====
Capital and reserves			
Called-up share capital	21	100	100
Revaluation reserve		891,260	959,818
Profit and loss account		6,789,062	5,117,287
		-----	-----
Total equity		7,680,422	6,077,205
		=====	=====

Approved by the Board on 22 August 2023:



Mr Eugene Dixon
Director



Mr Adrian Dixon
Director

The notes on pages 16 to 29 form part of these financial statements.

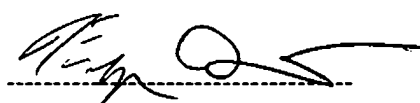
**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**COMPANY BALANCE SHEET
AS AT 31st DECEMBER 2022**

(Company Registration Number NI 060197)

		2022	2021
	Notes	£	£
Fixed assets			
Tangible fixed assets	12	2,595,036	2,645,529
Investments	14	4,411,201	-
		-----	-----
		7,006,237	2,645,529
		-----	-----
Current assets			
Stock	15	5,187,810	2,562,289
Debtors	16	6,929,890	4,756,266
Cash at bank	17	418,076	1,047,507
		-----	-----
		12,535,776	8,366,062
		-----	-----
Creditors: due within one year	18	7,818,127	4,082,593
		-----	-----
Net current assets		4,717,649	4,283,469
		-----	-----
Total assets less current liabilities		11,723,886	6,928,998
		-----	-----
Creditors due after one year	18	3,930,222	851,793
Provisions for liabilities and charges	19	122,628	-
		-----	-----
Net assets		7,671,036	6,077,205
		=====	=====
			a
Capital and reserves			
Called-up share capital	21	100	100
Revaluation reserve		891,260	959,818
Profit and loss account		6,779,676	5,117,287
		-----	-----
Total equity		7,671,036	6,077,205
		=====	=====

Approved by the Board on 24 August 2023:



Mr Eugene Dixon
Director



Mr Adrian Dixon
Director

The notes on pages 16 to 29 form part of these financial statements.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	£	£
Profit for the financial year	1,708,217	1,194,471
Surplus on property plant and equipment revaluation	-	195,391
	-----	-----
Total comprehensive (loss)/income for the year	1,708,217	1,389,862
	=====	=====

**COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st DECEMBER 2022**

	2022	2021
	£	£
Profit for the financial year	1,698,831	1,194,471
Surplus on property plant and equipment revaluation	-	195,391
	-----	-----
Total comprehensive (loss)/income for the year	1,698,831	1,389,862
	=====	=====

The notes on pages 16 to 29 form part of these financial statements.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER 2022**

	Called-up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1st January 2021	100	832,985	3,980,258	4,813,343
Profit for the year			1,194,471	1,194,471
Other comprehensive income	-	126,833	68,558	195,391
Dividends paid	-	-	(126,000)	(126,000)
At 31st December 2021	100	959,818	5,117,287	6,077,205
Profit for the year			1,708,217	1,708,217
Comprehensive income for the year	-	(68,558)	68,558	-
Dividends paid	-	-	(105,000)	(105,000)
At 31st December 2022	100	891,260	6,789,062	7,680,422

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st DECEMBER 2022**

	Called-up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1st January 2021	100	832,985	3,980,258	4,813,343
Profit for the year			1,194,471	1,194,471
Other comprehensive income	-	126,833	68,558	195,391
Dividends paid	-	-	(126,000)	(126,000)
At 31st December 2021	100	959,818	5,117,287	6,077,205
Profit for the year			1,698,831	1,698,831
Comprehensive income for the year	-	(68,558)	68,558	-
Dividends paid	-	-	(105,000)	(105,000)
At 31st December 2022	100	891,260	6,779,676	7,671,036

The notes on pages 16 to 29 form part of these financial statements.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE
YEAR ENDED 31st DECEMBER 2022**

	2022	2021
Notes	£	£
Operating activities		
Operating profit	1,708,218	1,194,471
Depreciation & amortisation	805,171	718,235
Profit on disposal of fixed assets	(43,000)	(25,037)
Finance costs	105,106	25,925
Increase in stocks	(2,644,611)	(1,334,941)
Increase in debtors	(2,007,864)	(1,735,060)
Increase in creditors	2,706,936	662,706
Taxation expense	584,327	-
	-----	-----
Net cash flow from operating activities	1,214,283	(493,701)
	-----	-----
Investing activities		
Acquisition of subsidiary	(4,411,201)	-
Acquisition of tangible fixed assets	(604,116)	(468,528)
Proceeds from sale of tangible assets	43,000	27,134
	-----	-----
Net cash outflow from investing activities	(4,972,317)	(441,394)
	-----	-----
Financing activities		
Interest paid and similar charges	(105,106)	(25,925)
Proceeds from bank borrowing draw down	3,782,900	1,376,891
Net repayment of bank loans	(121,217)	(700,000)
Receipt from finance lease debtors	28,350	-
Payments to finance lease creditors	(309,403)	(358,066)
Dividends paid	(105,000)	(126,000)
	-----	-----
Net cash outflow from financing activities	3,170,524	166,900
	-----	-----
	-----	-----
Decrease in cash and cash equivalents for the year	(587,510)	(768,195)
	=====	=====
Cash and cash equivalents		
As at 1st January 2021	1,047,507	1,815,702
Bank balance acquired	24,386	
Decrease in cash and cash equivalents for the year	(587,510)	(768,195)
	-----	-----
As at 31st December 2022	484,383	1,047,507
	=====	=====

The notes on pages 16 to 29 form part of these financial statements.

MAINE SURFACE FINISHING LIMITED

CONSOLIDATED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2022

1. General information

The company is a private company limited by share capital, incorporated in Northern Ireland.

The address of its registered office is:

42 Galdanagh Road

Dunloy

Co Antrim

BT44 9DB

Northern Ireland

These financial statements were authorised for issue by the Board on 22 August 2023.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The consolidated financial statements comprise the financial statements of Maine Surface Finishing Limited for the year ended 31st December 2022 and its wholly owned subsidiary (Smyth Steel Limited) for the period from 25th August 2022 (date of acquisition) to 31st December 2022.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Goodwill

Purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life (20 years). Goodwill is reviewed for impairment at the end of the first financial year following acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Tangible assets

Tangible assets are initially stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Any tangible assets carried at revalued amounts are recorded at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Buildings	4-10% per annum straight line basis
Plant and machinery	25% per annum straight line basis
Motor vehicles	25% per annum straight line basis
Office equipment	25% per annum straight line basis

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in operating expenses.

Stock and work in progress

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

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

MAINE SURFACE FINISHING LIMITED CONSOLIDATED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

3. Turnover

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Sales of goods and services	31,921,236	21,594,163
	<u>=====</u>	<u>=====</u>

4. Other operating income

	2022	2021
	£	£
Government grants including CJRS for indirect employees	198,898	115,874
Miscellaneous other operating income	20,193	124,332
	<u>-----</u>	<u>-----</u>
	219,091	240,206
	<u>=====</u>	<u>=====</u>

5. Operating profit

	2022	2021
	£	£
Arrived after charging/(crediting)		
Operating profit is stated after crediting:		
Profit on sale of tangible fixed assets	43,000	25,037
and after charging:		
Auditors remuneration - audit fees	18,500	13,200
- non-audit services	33,019	-
Depreciation	805,171	718,235

6. Interest payable and similar expenses

	2022	2021
	£	£
On bank loans and overdrafts	90,845	1,778
Other interest and charges payable	14,261	24,147
	<u>-----</u>	<u>-----</u>
	105,106	25,925
	<u>=====</u>	<u>=====</u>

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

7. Employee information

The average weekly number of persons employed by the Group (including executive Directors) during the year was 248 (2021: 225) as follows:

	2022 No.	2021 No.
Directors	3	3
Production	194	180
Administration	51	42
	-----	-----
	248	225
	=====	=====
	2022	2021
	£	£
Staff costs (for the above persons)		
Wages and salaries	7,154,450	5,537,166
Social security costs	720,256	525,841
Pension costs	147,592	115,307
	-----	-----
	8,022,298	6,178,314
	=====	=====

8. Directors' remuneration

Remuneration paid to the Directors of the Group was as follows:

	2022 £	2021 £
Remuneration	29,940	29,940
	=====	=====

9. Taxation

Provision has been made at the standard rate for corporation tax on the profits as adjusted for tax purposes (2022: 19%; 2021: 19%).

	2022 £	2021 £
Corporation tax		
UK current tax	457,467	-
Deferred tax		
Arising from origination and reversal of timing differences	126,860	-
	-----	-----
Taxation expense for the year	584,327	-
	=====	=====

**MAINE SURFACE FINISHING LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

9. Taxation (continued)

The taxation charge for the year differs from the profit for the year multiplied by the standard rate of UK tax. The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	2,292,545	1,194,471
	=====	=====
Tax on profits at standard rate of UK tax	435,584	226,949
Effects of:		
- changes in future tax rates	29,431	-
- adjustment in respect of prior years	93,498	-
- accelerated capital allowances and other timing differences	25,814	7,690
- impact of research and development tax	-	(234,639)
	-----	-----
Taxation expense for the year	584,327	-
	=====	=====
Deferred tax		
Deferred tax assets and liabilities		
2022 – Group		
	Asset	Liability
Deferred tax provision -accelerated capital allowances	-	172,113
	=====	=====
2022 – Company		
	Asset	Liability
Deferred tax provision -accelerated capital allowances	-	122,628
	=====	=====

10. Profit attributable to parent company

The parent undertaking has taken advantage of the exemption from presenting its own profit and loss account in these financial statements. The group profit and loss account for the year includes a profit of £1,698,831 (2021: £1,194,471) which is dealt with in the financial statements of the parent undertaking.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

11. Tangible assets – The Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Other property improvements £	Total £
Cost or valuation						
As at 1st January 2022	1,730,000	2,866,296	594,655	380,833	343,041	5,914,825
Additions	2,862,446	1,569,355	-	162,130	160,295	4,754,226
Disposals	-	(73,000)	-	-	-	(73,000)
As at 31st December 2022	4,592,446	4,362,651	594,655	542,963	503,336	10,596,051
Depreciation						
As at 1st January 2022	92,046	2,368,082	467,636	267,257	74,275	3,269,296
Charge for the year	133,634	461,366	82,777	81,095	46,299	805,171
Eliminated on disposal	-	(73,000)	-	-	-	(73,000)
As at 31st December 2022	225,680	2,756,448	550,413	348,352	120,574	4,001,467
Carrying amount						
As at 31st December 2022	4,366,766	1,606,203	44,242	194,611	382,762	6,594,584
As at 31st December 2021	1,637,954	498,214	127,019	113,576	268,766	2,645,529

Included in land and buildings is the amount of £4,366,766 (2021: £1,637,954) in respect of freehold land and buildings. The net book value of plant and machinery includes £45,849 (2021: £138,847) of assets acquired under finance leases. The net book value of motor vehicles includes £1,901 (2021: £5,161) of assets acquired under finance leases.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

12. Tangible assets – The Company

	Land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Other property improvements £	Total £
Cost or valuation						
As at 1st January 2022	1,730,000	2,866,296	594,655	380,833	343,041	5,914,825
Additions	62,446	235,386	-	145,990	160,295	604,117
Disposals	-	(73,000)	-	-	-	(73,000)
As at 31st December 2022	1,792,446	3,028,682	594,655	526,823	503,336	6,445,942
Depreciation						
As at 1st January 2022	92,046	2,368,082	467,636	267,257	74,275	3,269,296
Charge for the year	96,302	350,206	82,777	79,026	46,299	654,610
Eliminated on disposal	-	(73,000)	-	-	-	(73,000)
As at 31st December 2022	188,348	2,645,288	550,413	346,283	120,574	3,850,906
Carrying amount						
As at 31st December 2022	1,604,098	383,394	44,242	180,540	382,762	2,595,036
As at 31st December 2021	1,637,954	498,214	127,019	113,576	268,766	2,645,529

Included in land and buildings is the amount of £1,604,098 (2021: £1,637,954) in respect of freehold land and buildings. The net book value of plant and machinery includes £45,849 (2021: £138,847) of assets acquired under finance leases. The net book value of motor vehicles includes £1,901 (2021: £5,161) of assets acquired under finance leases.

**MAINE SURFACE FINISHING LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

12. Tangible assets – The Company (continued)

Revaluation – Company

The fair value of the company's land and buildings was revalued on 31 December 2020 by an independent valuer. The independent valuer used the comparable approach in arriving at their opinion of the market value together with their professional judgement. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £654,741.

13. Goodwill

	Group
	£
Cost	
At 1st January 2022	-
Acquired	334,189

At 31st December 2022	334,189
Amortisation	
At 1st January 2022	-
Charge for the year	-

At 31st December 2022	-

Net book value	
At 31st December 2022	334,189
	=====

Acquired goodwill

Maine Surface Finishing Limited acquired 100% of the share capital of Smyth Steel Limited on 25 August 2022. The assets and liabilities of Smyth Steel have been adjusted within Smyth Steel Limited's accounts to reflect fair value at the date of acquisition.

Goodwill will be amortised over 20 years starting on 1st January 2023.

	£
Fair value of net assets acquired	
Fair value of net assets acquired	4,077,012
Consideration paid (cash)	(4,411,201)

Goodwill	334,189
	=====

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

14. Investments

	Company
	£
Investment in subsidiary	4,411,201
	=====

Maine Surface Finishing Limited is the 100% parent of the following subsidiary:

Company name	Country of incorporation	Accounting year end	Business activity
Smyth Steel Limited	N. Ireland	31-Dec	Steel fabrication

15. Stock

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Stock and work in progress	5,207,590	2,562,289	5,187,810	2,562,289
	=====	=====	=====	=====

16. Debtors (current)

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Trade debtors	5,704,400	3,474,515	5,696,030	3,474,515
Other debtors	1,093,944	1,236,928	1,154,786	1,236,928
Prepayments	79,074	44,823	79,074	44,823
	-----	-----	-----	-----
	6,877,418	4,756,266	6,929,890	4,756,266
	=====	=====	=====	=====

Invoice financing facility is secured by a fixed charge over the trade debtors of the company.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

17. Cash and cash equivalents

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Cash on hand	956	2,079	956	2,079
Cash at bank	483,427	1,045,428	417,120	1,045,428
	-----	-----	-----	-----
	484,383	1,047,507	418,076	1,047,507
	=====	=====	=====	=====

18. Creditors

Due within one year

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Bank loans and borrowings	723,442	421,240	723,442	421,240
Trade creditors	5,455,848	2,555,166	5,423,808	2,555,166
Other taxation and social security	624,237	889,099	572,796	889,099
Other payables	17,356	18,063	17,356	18,063
Accrued expenses	300,137	199,025	650,038	199,025
Corporation tax liability	594,387	-	430,687	-
	-----	-----	-----	-----
	7,715,407	4,082,593	7,818,127	4,082,593
	=====	=====	=====	=====

Due after one year

Bank loans and borrowings	3,930,222	851,793	3,930,222	851,793
	=====	=====	=====	=====

Bank borrowings are secured by a fixed charge over property at Unit 11, Wattstown Business Park, a fixed charge over the leasehold property at Unit 5, Wattstown Business Park and a floating charge over the remaining assets.

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

19. Provision for liabilities and charges

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Deferred tax provision	172,113	-	122,628	-
	=====	=====	=====	=====

20. Pension

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £147,592 (2021: £115,307)

21. Called up share capital – Group and Company

	2022	2021
	£	£
Allotted, called-up and fully paid: 100 ordinary shares of £1 each	100	100
	=====	=====

22. Loans and borrowings

Non-current loans and borrowings

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Bank loans	3,919,490	643,200	3,919,490	643,200
Obligations under finance leases	10,732	208,593	10,732	208,593
	-----	-----	-----	-----
	3,930,222	851,793	3,930,222	851,793
	=====	=====	=====	=====

**MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022**

23. Loans and borrowings (continued)

Current loans and borrowings

	2022	2021	2022	2021
	Group	Group	Company	Company
	£	£	£	£
Bank loans	490,962	105,568	490,962	105,568
Obligations under finance leases	232,480	315,672	232,480	315,672
	-----	-----	-----	-----
	723,442	421,240	723,442	421,240
	=====	=====	=====	=====

24. Dividends

	2022	2021
	£	£
Dividends paid by the Group	105,000	126,000
	=====	=====

25. Related party transactions

Included within other debtors is a balance due from the directors amounting to £232,133 at year end (2021: £104,165).

Included in other debtors is £97,346 (2021: £107,346) owed from Maine Fabrication Ltd. This company is owned and controlled by Mr Adrian Dixon, a shareholder and director in Maine Surface Finishing Ltd.

During the year the Group entered into transactions with Premier Protective Coatings Ltd, a company controlled by the directors of Maine Surface Finishing Ltd. These transactions are as follows:

	2022	2021
	£	£
Sales to Premier Protective Coatings Ltd	1,622,655	1,583,635
Purchases from Premier Protective Coatings Ltd	706,187	512,815
Debtor owed from Premier Protective Coatings Ltd	577,553	840,403
Creditor owed to Premier Protective Coatings Ltd	48,341	194,098

The Group has taken advantage of the exemption provisions in FRS 102 permitting non-disclosure of transactions with fellow group companies.

MAINE SURFACE FINISHING LIMITED
CONSOLIDATED ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st DECEMBER 2022

26. Ultimate controlling party

The ultimate controlling parties of Maine Surface Finishing Limited are its shareholders, Mr Eugene Dixon, Mr Adrian Dixon and Mrs Beverley Dixon.