

**M&I MATERIALS**  
Specialist Materials for Industry & Science

WEDNESDAY



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COMPANIES HOUSE

2022/23

## M&I Materials Limited

Annual Report and Consolidated Financial Statements

For the year ended:

**31 March 2023**

Company registration number 02772838

**APIEZON**<sup>®</sup>

 **METROSIL**<sup>®</sup>

**[MIDEL]**

**MIVOLT**<sup>®</sup>

PERFORMANCE  
BIOLUBRICANTS

**WOLF****MET**<sup>®</sup>

[mimaterials.com](http://mimaterials.com)

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## M & I Materials Limited

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### Company Information

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

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## M & I Materials Limited

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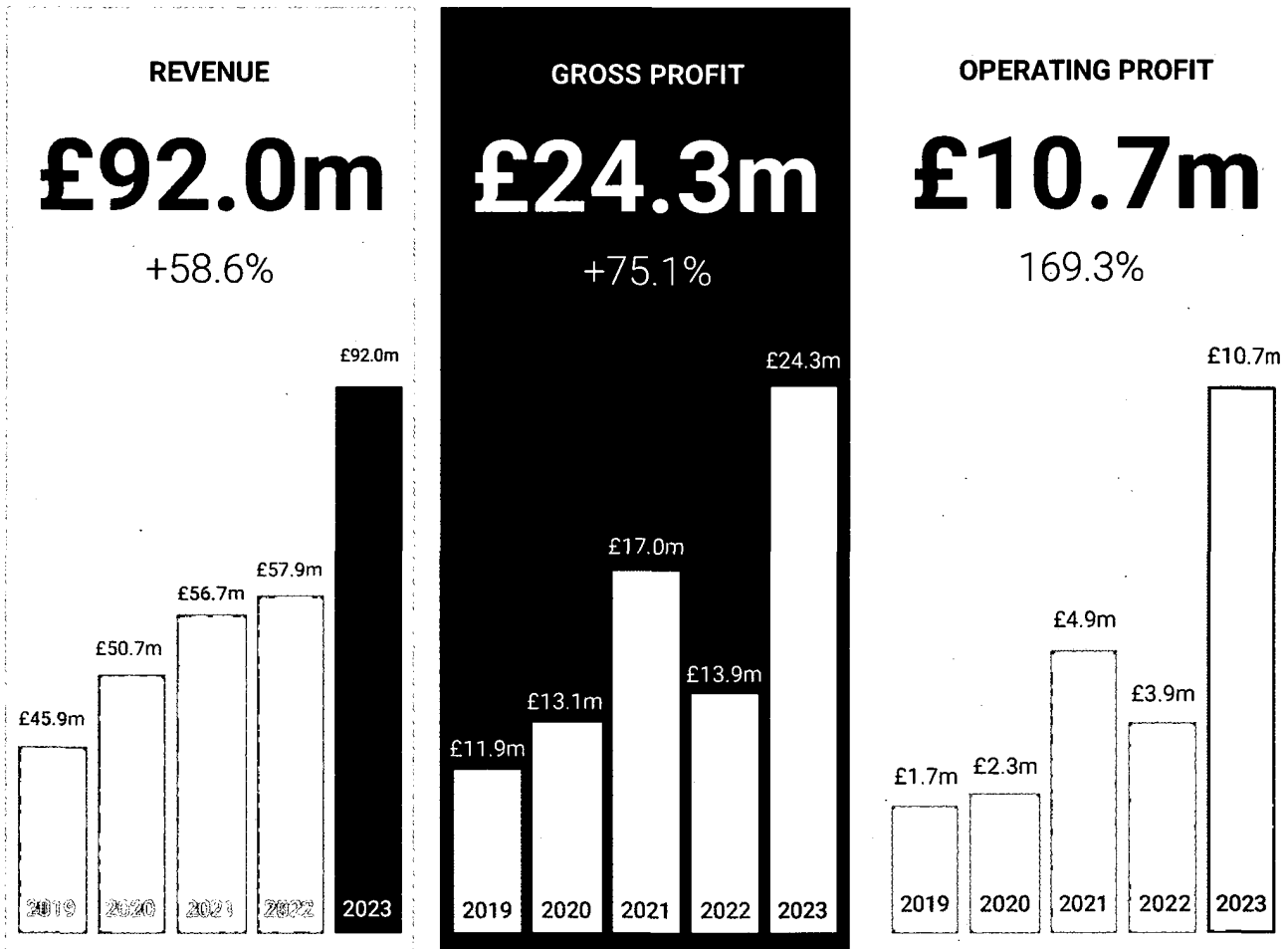
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# Performance and Operational Highlights

We are delighted to report on a year of record-breaking financial results for the M&I Materials Group. Sales revenues were up 58.6% upon prior year to £92.0m demonstrating the strength of our end markets, this drove similarly record levels of operating profits up 169.3% to £10.7m in the year. These strong financials have helped to support the continued investments that the business has made to sustain its growth path.



# Sustainable Development

## Greenhouse gas emissions, energy consumption and energy efficiency action

M&I Materials report energy and carbon data for the year ended 31 March 2023 in accordance with Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

### Quantification and Reporting Methodology

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

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

	UK Energy Use		Greenhouse Gas Emissions	
	2021/22	2022/23	2021/22	2022/23
Scope 1 (Direct emissions)	13.4 GWh	16.3 GWh	2,375 tonnes CO2e	2,884 tonnes CO2e
Scope 2 (Location-based indirect emissions)	4.6 GWh	5.6 GWh	977 tonnes CO2e	1,082 tonnes CO2e
Annual Total	18.0 GWh	21.9 GWh	3,352 tonnes CO2e	3,967 tonnes CO2e
Intensity Ratio (Tonnes of CO2e per £1m of Turnover)	-	-	58.0	44.1
Scope 2 (Market-based indirect emissions)			0 tonnes CO2e	0 tonnes CO2e

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# M & I Materials Limited

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## Group Strategic Report For the year ended 31 March 2023

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### Introduction

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

### Business Review

The growth in our end markets, the quality of our product portfolio and the deep customer relationships we have forged have been a source of real strength over the challenging times of the last few years. These strengths, coupled with our employee talent base, have combined to help deliver our strong financial performance despite global supply chain disruption in the first half of the year and general inflationary pressures.

In the year to 31 March 2023 turnover was £92,008,085 (2022: £57,992,108) and operating profit was £10,747,928 (2022: £3,990,382).

Financial key performance indicators are shown below:

	2023 £'000	2022 £'000
Turnover	92,008	57,992
Gross profit	24,365	13,991
Operating profit	10,748	3,990
Net assets	32,981	24,427
Bank balance	11,138	6,691

Turnover grew strongly by over 58.6% compared with the prior year supported by positive trading fundamentals. We saw strong revenue growth across all product groups, with energy related sectors growing significantly. Aerospace sales which had been previously impacted by COVID related disruptions also grew strongly and returned to pre COVID levels. At a regional level we saw continued strongest revenue growth in Europe, China, and Asia Pacific.

Operating profit grew by 169.3% in the year. This reflects strong trading fundamentals, the easing of supply chain disruptions in the second half of the year and the significant positive operational leverage from the growth in sales revenue. The business continues to invest for the long term, to generate incremental sales on a global basis, to seek out innovations in terms of product and application development and to improve our manufacturing capability.

Further to a Strategic review of the portfolio in 2023, M&I Materials divested of its MIDEL and MIVOLT businesses, being ultimately acquired by Shell U.K. Limited on the 31st December 2023 following a Capital Reduction Demerger.

M&I Materials developed both MIDEL and MIVOLT businesses over many decades into market-leading positions in the transformer fluids and immersion cooling spaces. The sale to Shell will provide the larger platform to enable growth of each business on a global scale.

M&I Materials will continue to invest in its other businesses in its portfolio, trading under the brands of Apiezon, Metrosil, Wolfmet and Performance Biolubricants with a range of products used by customers such as Boeing, CERN, and NASA.

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

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

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## M & I Materials Limited

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### Group Strategic Report For the year ended 31 March 2023

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#### Directors' statement of compliance with duty to promote the success of the Group (continued)

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

#### Principal risks and uncertainties

M&I Materials robust performance coupled with its diversified portfolio of products and strong end market sectors demonstrate the resilience of its business model. This should position the business to progress despite recessionary concerns caused by inflationary headwinds and ongoing geo-political uncertainties.

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

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

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

#### Other key performance indicators

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

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



.....  
C J Salt  
Director

Date: 08 March 2024

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## M & I Materials Limited

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### Directors' Report For the year ended 31 March 2023

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

#### Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

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

#### Results and dividends

The profit for the year, after taxation, amounted to £8,756,919 (2022: £3,490,432). The directors do not recommend the payment of a final dividend.

#### Directors

The directors who served during the year were:

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

#### Environmental matters

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

#### Future developments

Further to a Strategic review of the portfolio in 2023, M&I Materials divested of its MIDEL and MIVOLT businesses, being ultimately acquired by Shell U.K. Limited on the 31st December 2023 following a Capital Reduction Demerger.

M&I Materials developed both MIDEL and MIVOLT businesses over many decades into market-leading positions in the transformer fluids and immersion cooling spaces. The sale to Shell will provide the larger platform to enable growth of each business on a global scale.

M&I Materials will continue to invest in its other businesses in its portfolio, trading under the brands of Apiezon, Metrosil, Wolfmet and Performance Biolubricants with a range of products used by customers such as Boeing, CERN, and NASA.

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## M & I Materials Limited

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### Directors' Report For the year ended 31 March 2023

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#### Financial instruments

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

#### Research and development activities

The group continues to invest in research and development using its market insights for the purpose of creating products to generate value for our customers.

#### Greenhouse gas emissions, energy consumption and energy efficiency action

M&I Materials report energy and carbon data for the year ended 31st March 2023 in accordance with Streamlined Energy and Carbon Reporting (SECR) under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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#### UK energy use and greenhouse gas emissions

We have measured and reported on the majority of M&I Materials' scope 1 and scope 2 greenhouse gas emissions. Where we have been unable to measure and report emissions, we plan to improve our data collection in the coming 2023/24 financial year to complete the scope of our reporting in the future. The data we are unable to report at this time is the fuel used by vehicles operated for business use/business travel and the associated greenhouse gas emissions.

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## M & I Materials Limited

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### Directors' Report For the year ended 31 March 2023

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#### UK energy use and greenhouse gas emissions (continued)

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

	UK Energy Use		Greenhouse Gas Emissions	
	2021/22	2022/23	2021/22	2022/23
Scope 1 (Direct emissions)	13.4 GWh	16.3 GWh	2,375 tonnes CO2e	2,884 tonnes CO2e
Scope 2 (Location-based indirect emissions)	4.6 GWh	5.6 GWh	977 tonnes CO2e	1,082 tonnes CO2e
Annual Total	18.0 GWh	21.9 GWh	3,352 tonnes CO2e	3,967 tonnes CO2e
Intensity Ratio (Tonnes of CO2e per £1m of Turnover)			58.0	44.1
Scope 2 (Market-based indirect emissions)			0 tonnes CO2e	0 tonnes CO2e

#### Energy efficiency measures

M&I Materials seeks to improve energy efficiency on an ongoing basis in accordance with our Environmental Policy Statement. In the year 2022/23 this has included the following measures:

- Ongoing Replacement and installation program for more efficient Process Pumps.
- Change in company car policy to update its fleet to electric vehicles.
- Continuation of the LED lighting replacement program.
- Initiated investment in a heat recovery project to further improve plant energy efficiency.

#### Disclosure of information to auditors

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

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

#### Post balance sheet events

Further to a Strategic review of the portfolio in 2023, M&I Materials divested of its MIDEL and MIVOLT businesses, being ultimately acquired by Shell U.K. Limited on the 31st December 2023 following a Capital Reduction Demerger.

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**M & I Materials Limited**

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**Directors' Report  
For the year ended 31 March 2023**

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**Auditors**

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

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

*C J Salt.*

.....  
C J Salt  
Director

Date: *08 March 2024*

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## M & I Materials Limited

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### Independent Auditors' Report to the Members of M & I Materials Limited

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#### Opinion

We have audited the financial statements of M & I Materials Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group statement of comprehensive income, the Group and Company balance sheets, the Group statement of cash flows, the Group and Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or 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.

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## M & I Materials Limited

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### Independent Auditors' Report to the Members of M & I Materials Limited

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#### Opinion on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditors' responsibilities for the audit of the financial statements

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

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

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## M & I Materials Limited

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### Independent Auditors' Report to the Members of M & I Materials Limited

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#### Identifying and assessing potential risks related to irregularities

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

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

#### Audit response to risks identified

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

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

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

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

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

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## M & I Materials Limited

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### Independent Auditors' Report to the Members of M & I Materials Limited

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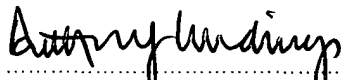
#### Audit response to risks identified (continued)

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

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

#### Use of our report

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



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

**Hurst Accountants Limited**  
Chartered Accountants & Statutory Auditors  
Lancashire Gate  
21 Tiviot Dale  
Stockport  
SK1 1TD

Date: 11 March 2024

## M & I Materials Limited

### Consolidated Statement of Comprehensive Income For the year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	92,008,085	57,992,108
Cost of sales		(67,643,026)	(44,080,796)
<b>Gross profit</b>		<b>24,365,059</b>	<b>13,911,312</b>
Distribution costs		(8,744,805)	(7,021,775)
Administrative expenses		(5,462,130)	(3,033,206)
Other operating income	5	589,804	134,051
<b>Operating profit</b>	6	<b>10,747,928</b>	<b>3,990,382</b>
Interest receivable and similar income	10	73,293	2,408
Interest payable and similar expenses	11	(46,539)	(27,791)
<b>Profit before taxation</b>		<b>10,774,682</b>	<b>3,964,999</b>
Tax on profit	12	(2,017,763)	(474,567)
<b>Profit for the financial year</b>		<b>8,756,919</b>	<b>3,490,432</b>
Gain/(loss) on foreign exchange		(203,399)	(206,099)
<b>Other comprehensive income for the year</b>		<b>(203,399)</b>	<b>(206,099)</b>
<b>Total comprehensive income for the year</b>		<b>8,553,520</b>	<b>3,284,333</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		<b>8,756,919</b>	<b>3,490,432</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 20 to 33 form part of these financial statements.

**M & I Materials Limited**  
Registered number: 02772838

**Consolidated Balance Sheet**  
As at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	11,641,431	11,030,549
<b>Current assets</b>			
Stocks	15	10,097,048	8,114,952
Debtors: amounts falling due within one year	16	22,006,672	11,352,239
Cash at bank and in hand	17	11,138,228	6,690,933
		<u>43,241,948</u>	<u>26,158,124</u>
Creditors: amounts falling due within one year	18	(19,429,998)	(10,657,227)
		<u>23,811,950</u>	<u>15,500,897</u>
<b>Net current assets</b>		<b>23,811,950</b>	<b>15,500,897</b>
<b>Total assets less current liabilities</b>		<b>35,453,381</b>	<b>26,531,446</b>
Creditors: amounts falling due after more than one year	19	(903,009)	(1,110,220)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(1,569,356)	(993,730)
		<u>32,981,016</u>	<u>24,427,496</u>
<b>Net assets</b>		<b>32,981,016</b>	<b>24,427,496</b>
<b>Capital and reserves</b>			
Called up share capital	23	881	881
Capital redemption reserve	24	120	120
Foreign exchange reserve	24	(191,709)	11,690
Profit and loss account	24	33,171,724	24,414,805
		<u>32,981,016</u>	<u>24,427,496</u>

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

*C J Salt.*

.....  
C J Salt  
Director

Date: 08 March 2024

The notes on pages 20 to 33 form part of these financial statements.

**M & I Materials Limited**  
Registered number: 02772838

**Company Balance Sheet**  
As at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	11,523,530	10,747,744
Investments	14	16,028	16,028
		<u>11,539,558</u>	<u>10,763,772</u>
<b>Current assets</b>			
Stocks	15	9,066,010	7,006,378
Debtors: amounts falling due within one year	16	24,519,033	14,009,286
Cash at bank and in hand	17	10,687,177	5,805,644
		<u>44,272,220</u>	<u>26,821,308</u>
Creditors: amounts falling due within one year	18	(20,147,345)	(10,740,980)
		<u>24,124,875</u>	<u>16,080,328</u>
<b>Net current assets</b>			
		<u>24,124,875</u>	<u>16,080,328</u>
<b>Total assets less current liabilities</b>			
		<u>35,664,433</u>	<u>26,844,100</u>
Creditors: amounts falling due after more than one year	19	(903,009)	(1,110,220)
<b>Provisions for liabilities</b>			
Deferred taxation	22	(1,569,356)	(993,730)
		<u>33,192,068</u>	<u>24,740,150</u>
<b>Net assets</b>			
		<u>33,192,068</u>	<u>24,740,150</u>
<b>Capital and reserves</b>			
Called up share capital	23	881	881
Capital redemption reserve	24	120	120
Profit and loss account brought forward	24	24,739,149	21,176,132
Profit for the year		8,451,918	3,563,017
Profit and loss account carried forward		<u>33,191,067</u>	<u>24,739,149</u>
		<u>33,192,068</u>	<u>24,740,150</u>

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

*CJ Salt*

.....  
C J Salt  
Director

Date:

*08 March 2024*

The notes on pages 20 to 33 form part of these financial statements.

## M & I Materials Limited

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

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 April 2022	881	120	11,690	24,414,805	24,427,496
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	8,756,919	8,756,919
Movement on foreign exchange	-	-	(203,399)	-	(203,399)
<b>Other comprehensive income for the year</b>	-	-	(203,399)	-	(203,399)
<b>Total comprehensive income for the year</b>	-	-	(203,399)	8,756,919	8,553,520
<b>At 31 March 2023</b>	<b>881</b>	<b>120</b>	<b>(191,709)</b>	<b>33,171,724</b>	<b>32,981,016</b>

### Consolidated Statement of Changes in Equity For the year ended 31 March 2022

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 April 2021	881	120	217,789	20,924,373	21,143,163
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	3,490,432	3,490,432
Movement on foreign exchange	-	-	(206,099)	-	(206,099)
<b>Other comprehensive income for the year</b>	-	-	(206,099)	-	(206,099)
<b>Total comprehensive income for the year</b>	-	-	(206,099)	3,490,432	3,284,333
<b>At 31 March 2022</b>	<b>881</b>	<b>120</b>	<b>11,690</b>	<b>24,414,805</b>	<b>24,427,496</b>

The notes on pages 20 to 33 form part of these financial statements.

## M & I Materials Limited

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2022	881	120	24,739,149	24,740,150
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	8,451,918	8,451,918
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	8,451,918	8,451,918
<b>At 31 March 2023</b>	<b>881</b>	<b>120</b>	<b>33,191,067</b>	<b>33,192,068</b>

### Company Statement of Changes in Equity For the year ended 31 March 2022

	Called up share capital £	Capital redemption reserve £	Profit and Loss account £	Total equity £
At 1 April 2021	881	120	21,176,132	21,177,133
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	3,563,017	3,563,017
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	3,563,017	3,563,017
<b>At 31 March 2022</b>	<b>881</b>	<b>120</b>	<b>24,739,149</b>	<b>24,740,150</b>

The notes on pages 20 to 33 form part of these financial statements.

## M & I Materials Limited

### Consolidated Statement of Cash Flows For the year ended 31 March 2023

	2023	2022
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	8,756,919	3,490,432
<b>Adjustments for</b>		
Depreciation of tangible assets	1,373,523	1,258,539
Loss/(profit) on disposal of tangible assets	37,843	(19,631)
Interest paid	46,539	27,791
Interest received	(73,293)	(2,408)
Taxation charge	2,017,763	474,567
(Increase) in stocks	(1,982,096)	(1,318,456)
(Increase) in debtors	(11,068,268)	(423,754)
Increase/(decrease) in creditors	7,684,960	(904,384)
Corporation tax (paid)	(3,219)	(547,424)
<b>Net cash generated from operating activities</b>	<b>6,790,671</b>	<b>2,035,272</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,022,248)	(3,451,686)
Sale of tangible fixed assets	-	37,006
Interest received	73,293	2,408
<b>Net cash used in investing activities</b>	<b>(1,948,955)</b>	<b>(3,412,272)</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(144,667)	(144,667)
Interest paid	(46,539)	(27,791)
<b>Net cash used in financing activities</b>	<b>(191,206)</b>	<b>(172,458)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,650,510</b>	<b>(1,549,458)</b>
Cash and cash equivalents at beginning of year	6,690,933	8,446,490
Foreign exchange gains and losses	(203,399)	(206,099)
<b>Cash and cash equivalents at the end of year</b>	<b>11,138,044</b>	<b>6,690,933</b>
<b>Cash and cash equivalents at the end of year comprise</b>		
Cash at bank and in hand	11,138,228	6,690,933
Bank overdrafts	(184)	-
	<b>11,138,044</b>	<b>6,690,933</b>

The notes on pages 20 to 33 form part of these financial statements.

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## M & I Materials Limited

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### Consolidated Analysis of Net Debt For the year ended 31 March 2023

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	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	6,690,933	4,447,295	11,138,228
Bank overdrafts	-	(184)	(184)
Debt due after 1 year	(940,333)	144,667	(795,666)
Debt due within 1 year	(144,667)	-	(144,667)
	<hr/>	<hr/>	<hr/>
	5,605,933	4,591,778	10,197,711
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# M & I Materials Limited

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## Notes to the Financial Statements For the year ended 31 March 2023

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### 1. General information

M & I Materials Limited is a private company limited by share capital, incorporated in England and Wales, company number 02772838. The address of the registered office and principal place of business is Hibernia Way, Trafford Park, Manchester, M32 0ZD.

The principal activity of the group is the development, manufacture and sale of Apiezon Performance Chemicals, Metrosil Ceramic Resistors, Midel Dielectric Fluids, Wolfmet Tungsten Alloys and MiVolt Liquid Immersion Cooling.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

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

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

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

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

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

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

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# M & I Materials Limited

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## Notes to the Financial Statements For the year ended 31 March 2023

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### 2. Accounting policies (continued)

#### 2.3 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

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

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

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

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

#### 2.4 Revenue

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

##### Sale of goods

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

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

#### 2.5 Research and Development

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

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# M & I Materials Limited

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## Notes to the Financial Statements For the year ended 31 March 2023

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### 2. Accounting policies (continued)

#### 2.6 Government grants

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

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

#### 2.7 Pensions

##### Defined contribution pension plan

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

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

#### 2.8 Current and deferred taxation

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

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

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

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

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

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## M & I Materials Limited

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### Notes to the Financial Statements For the year ended 31 March 2023

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#### 2. Accounting policies (continued)

##### 2.9 Tangible fixed assets

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

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

The estimated useful lives range as follows:

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

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

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

##### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.11 Stocks

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

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

##### 2.12 Provisions for liabilities

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

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

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

##### 2.13 Financial instruments

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

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

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## M & I Materials Limited

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### Notes to the Financial Statements For the year ended 31 March 2023

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#### 2. Accounting policies (continued)

##### 2.13 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

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

##### Provision for obsolete and slow moving stock

The group reviews its stocks to assess loss on account for obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the income statement, the group makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the estimated net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than the cost based on best estimates by the management. The provision for obsolescence of stock is based on the ageing and historical sales pattern.

As at 31 March 2023 the stock held by the group totalled £10,097,048 (2022: £8,114,952).

##### Recoverability of trade debtors

The group has recognised trade debtors with a carrying value of £18,707,899 (2022: £9,642,656). The recoverability of trade debtors is regularly reviewed in the light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable.

#### 4. Turnover

The whole of the turnover is attributable to the principal activity of the group. Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	6,236,352	4,361,763
Rest of the world	85,771,733	53,630,345
	<u>92,008,085</u>	<u>57,992,108</u>

#### 5. Other operating income

	2023 £	2022 £
Government grants receivable	589,804	134,051
	<u>589,804</u>	<u>134,051</u>

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Exchange differences	(367,704)	(293,189)
Research & development charged as an expense	244,078	920,591
Depreciation and impairment	1,373,523	1,258,539
	1,373,523	1,258,539

#### 7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors and their associates:

	2023	2022
	£	£
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	39,475	31,260
Fees payable to the Company's auditors and their associates in respect of:		
Audit-related assurance services	5,975	4,750
Taxation compliance services	3,950	3,090
All taxation advisory services not included above	-	13,740
Internal audit services	-	4,000
	39,475	31,260

#### 8. Employees

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

	Group 2023	Group 2022
	£	£
Wages and salaries	8,819,150	7,534,623
Social security costs	762,040	649,649
Cost of defined contribution scheme	403,295	355,879
	9,984,485	8,540,151

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

	2023	2022
	No.	No.
Commercial, technical and administration	110	102
Production	77	73
	187	175

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	543,463	834,937
Group contributions to defined contribution pension schemes	4,935	28,438
	548,398	863,375

During the year retirement benefits were accruing to 1 director (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £317,944 (2022 - £587,730).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £871).

#### 10. Interest receivable

	2023 £	2022 £
Other interest receivable	73,293	2,408
	73,293	2,408

#### 11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	46,539	27,791
	46,539	27,791

#### 12. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,025,083	-
Adjustments in respect of previous periods	413,835	(304,736)
	1,438,918	(304,736)
<b>Foreign tax</b>		
Foreign tax on income for the year	3,219	3,483
	3,219	3,483
Total current tax	1,442,137	(301,253)
<b>Deferred tax</b>		
Origination and reversal of timing differences	575,626	775,820
	575,626	775,820
Total deferred tax	575,626	775,820
Taxation on profit on ordinary activities	2,017,763	474,567

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## M & I Materials Limited

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### Notes to the Financial Statements For the year ended 31 March 2023

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#### 12. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	10,774,682	3,964,999
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	2,047,190	753,350
<b>Effects of:</b>		
Depreciation on non-qualifying assets	14,060	12,326
Effect of tax rates in foreign jurisdictions	6,438	3,483
Non-deductible expenses	100,417	1,710
Under/(over) provided in prior years	-	109,098
Adjustments to tax charge in respect of prior periods	413,835	-
FRS102 transitional adjustment	(4,355)	(4,355)
Adjustment for changes in deferred tax rates	373,378	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(282,969)	(227,386)
Unrelieved loss on foreign subsidiaries	(57,951)	22,501
Patent box deductions	(485,350)	-
Super-deduction pool adjustment	(106,930)	(196,160)
<b>Total tax charge for the year</b>	<b>2,017,763</b>	<b>474,567</b>

##### Factors that may affect future tax charges

The main rate of corporation tax increased to 25% in the tax year commencing 1 April 2023 for companies where profits exceed £250,000.

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 13. Tangible fixed assets

##### Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2022	3,397,837	21,902,747	1,694,198	26,994,782
Additions	-	1,890,055	132,193	2,022,248
Disposals	-	(24,895)	(53,030)	(77,925)
<b>At 31 March 2023</b>	<b>3,397,837</b>	<b>23,767,907</b>	<b>1,773,361</b>	<b>28,939,105</b>
<b>Depreciation</b>				
At 1 April 2022	810,877	13,687,098	1,466,258	15,964,233
Charge for the year	100,395	1,215,408	57,720	1,373,523
Disposals	-	(7,690)	(32,392)	(40,082)
<b>At 31 March 2023</b>	<b>911,272</b>	<b>14,894,816</b>	<b>1,491,586</b>	<b>17,297,674</b>
<b>Net book value</b>				
At 31 March 2023	<b>2,486,565</b>	<b>8,873,091</b>	<b>281,775</b>	<b>11,641,431</b>
<i>At 31 March 2022</i>	<i>2,586,960</i>	<i>8,215,649</i>	<i>227,940</i>	<i>11,030,549</i>

Included in freehold property is freehold land valued at historic cost of £910,000 (2022: £910,000), which is not depreciated.

##### Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2022	3,397,837	21,108,455	1,691,102	26,197,394
Additions	-	1,890,055	131,172	2,021,227
Disposals	-	(24,895)	(52,831)	(77,726)
<b>At 31 March 2023</b>	<b>3,397,837</b>	<b>22,973,615</b>	<b>1,769,443</b>	<b>28,140,895</b>
<b>Depreciation</b>				
At 1 April 2022	810,877	13,173,356	1,465,417	15,449,650
Charge for the year	100,395	1,050,204	57,153	1,207,752
Disposals	-	(7,690)	(32,347)	(40,037)
<b>At 31 March 2023</b>	<b>911,272</b>	<b>14,215,870</b>	<b>1,490,223</b>	<b>16,617,365</b>
<b>Net book value</b>				
At 31 March 2023	<b>2,486,565</b>	<b>8,757,745</b>	<b>279,220</b>	<b>11,523,530</b>
<i>At 31 March 2022</i>	<i>2,586,960</i>	<i>7,935,099</i>	<i>225,685</i>	<i>10,747,744</i>

Included in freehold property is freehold land valued at historic cost of £910,000 (2022: £910,000), which is not depreciated.

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 14. Fixed asset investments

##### Company

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2022	16,028
	16,028
At 31 March 2023	16,028

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

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

#### 15. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Raw materials and consumables	2,231,488	1,573,154	2,207,226	1,473,542
Work in progress (goods to be sold)	2,014,131	1,513,658	2,065,688	1,513,658
Finished goods and goods for resale	5,851,429	5,028,140	4,793,096	4,019,178
	10,097,048	8,114,952	9,066,010	7,006,378

An impairment gain of £133,744 (2022: charge of £38,694) was recognised in cost of sales in respect of adjustments made to the provision for slow moving and obsolete stock.

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	18,707,899	9,642,656	18,352,558	9,508,240
Amounts owed by group undertakings	-	-	2,931,028	2,844,675
Other debtors	2,561,690	977,024	2,539,384	955,309
Prepayments and accrued income	737,083	318,724	696,063	287,227
Tax recoverable	-	413,835	-	413,835
	<b>22,006,672</b>	<b>11,352,239</b>	<b>24,519,033</b>	<b>14,009,286</b>

An impairment loss of £64,534 (2022: gain of £22,388) was recognised against trade debtors.

#### 17. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	11,138,228	6,690,933	10,687,177	5,805,644
Less: bank overdrafts	(184)	-	(184)	-
	<b>11,138,044</b>	<b>6,690,933</b>	<b>10,686,993</b>	<b>5,805,644</b>

#### 18. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank overdrafts	184	-	184	-
Bank loans	144,667	144,667	144,667	144,667
Trade creditors	11,717,556	6,720,601	11,541,263	6,665,005
Amounts owed to group undertakings	-	-	1,075,797	406,520
Corporation tax	1,025,083	-	1,025,083	-
Other taxation and social security	203,336	187,449	203,336	187,042
Other creditors	4,851,225	2,098,727	4,787,393	2,036,486
Accruals and deferred income	1,485,913	1,498,533	1,367,588	1,294,010
Financial instruments	2,034	7,250	2,034	7,250
	<b>19,429,998</b>	<b>10,657,227</b>	<b>20,147,345</b>	<b>10,740,980</b>

Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park, Manchester. The loan was repaid on the 3rd July 2023, and the debenture subsequently released.

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	795,666	940,333	795,666	940,333
Accruals and deferred income	107,343	169,887	107,343	169,887
	<u>903,009</u>	<u>1,110,220</u>	<u>903,009</u>	<u>1,110,220</u>

Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park, Manchester. The loan was repaid on the 3rd July 2023, and the debenture subsequently released.

#### 20. Loans

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Amounts falling due within one year</b>				
Bank loans	144,667	144,667	144,667	144,667
<b>Amounts falling due 1-2 years</b>				
Bank loans	144,667	144,667	144,667	144,667
<b>Amounts falling due 2-5 years</b>				
Bank loans	434,000	434,000	434,000	434,000
<b>Amounts falling due after more than 5 years</b>				
Bank loans	216,999	361,666	216,999	361,666
	<u>940,333</u>	<u>1,085,000</u>	<u>940,333</u>	<u>1,085,000</u>

The bank loans are repayable in equal quarterly instalments over the period to May 2029. Interest is charged on the loan at 1.15% plus LIBOR. Bank loans are secured by a debenture over all assets of the company, and a legal charge over the land and building at Hibernia Way, Trafford Park. The loan was repaid on the 3rd July 2023, and the debenture subsequently released.

#### 21. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Financial liabilities</b>				
Derivative financial instrument measured at fair value through profit or loss	(2,034)	(7,250)	(2,034)	(7,250)
	<u>(2,034)</u>	<u>(7,250)</u>	<u>(2,034)</u>	<u>(7,250)</u>

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

## M & I Materials Limited

### Notes to the Financial Statements For the year ended 31 March 2023

#### 22. Deferred taxation

##### Group

	2023 £
At beginning of year	(993,730)
Charged to the profit or loss	(575,626)
	(1,569,356)
<b>At end of year</b>	<b>(1,569,356)</b>

##### Company

	2023 £
At beginning of year	(993,730)
Charged to the profit or loss	(575,626)
	(1,569,356)
<b>At end of year</b>	<b>(1,569,356)</b>

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	(1,668,527)	(1,040,685)	(1,668,527)	(1,040,685)
Other timing differences	99,171	46,955	99,171	46,955
	<b>(1,569,356)</b>	<b>(993,730)</b>	<b>(1,569,356)</b>	<b>(993,730)</b>

#### 23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
880 (2022 - 880) Ordinary A shares of £1.00 each	880	880
100 (2022 - 100) Ordinary B shares of £0.01 each	1	1
1 (2022 - 1) Ordinary C share of £0.01	-	-
	<b>881</b>	<b>881</b>

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

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

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

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## M & I Materials Limited

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### Notes to the Financial Statements For the year ended 31 March 2023

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#### 24. Reserves

##### Capital redemption reserve

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

##### Foreign exchange reserve

Comprises foreign exchange adjustments arising on retranslation of foreign subsidiaries.

##### Profit and loss account

Comprises all current and prior year retained profits and losses.

#### 25. Capital commitments

At 31 March 2023 the Group and Company had capital commitments as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements	1,152,378	1,713,003	1,152,378	1,713,003

#### 26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £403,295 (2022: £355,879). Contributions totalling £65,603 (2022: £60,417) were payable to the fund at the balance sheet date and are included in creditors.

#### 27. Related party transactions

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

The group consider key management personnel to be the directors. See note 9 for director's remuneration.

#### 28. Controlling party

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

From the 11th of December 2023, the immediate and ultimate parent undertaking is M&I Materials Holdings Limited, company number 14883974.

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

#### 29. Post balance sheet events

Further to a Strategic review of the portfolio in 2023, M&I Materials divested of its MIDEL and MIVOLT businesses, being ultimately acquired by Shell U.K. Limited on the 31st December 2023 following a Capital Reduction Demerger.

M&I Materials developed both MIDEL and MIVOLT businesses over many decades into market-leading positions in the transformer fluids and immersion cooling spaces. The sale to Shell will provide the larger platform to enable growth of each business on a global scale.

M&I Materials will continue to invest in its other businesses in its portfolio, trading under the brands of Apiezon, Metrosil, Wolfmet and Performance Biolubricants with a range of products used by customers such as Boeing, CERN, and NASA.