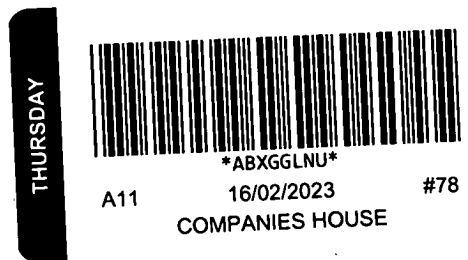


AUDITED ACCOUNTS AS REPLACEMENT FOR WHAT
WAS FILED ONLINE

PSM International Fasteners Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered No: 00375564



PSM International Fasteners Limited

Annual report and financial statements for the year ended 31 December 2021

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PSM International Fasteners Limited

Annual report and financial statements for the year ended 31 December 2021

Directors and advisers

Directors

Mr F Backstrom
Mr A M Nystrom
Mr S Lee

Registered Office

Ferry Lane
Pembroke Dock
Pembrokeshire
SA71 4RE

Independent Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

PSM International Fasteners Limited

Strategic report For the year ended 31 December 2021

The directors present their strategic report of the company for the year ended 31 December 2021.

Principal activities, business review and future developments

The principal activity of the company during the year was the design, manufacture and sale of proprietary and non-proprietary fasteners and associated feed systems.

The main markets for the products are automotive, white goods and industrial equipment. In addition to its design and manufacturing activities, the company has continued to place a significant focus on the outsourcing of non-proprietary products to low cost countries in order to increase its competitiveness in the market segment.

The company's turnover increased in 2021 to £5,247,000 (2020: £4,994,000). Operating loss in 2021 amounted to £927,000 (2020: loss £317,000). The financial position of the company is set out in the balance sheet on page 10.

On 6 December 2022 the Directors took the decision to cease trading which is expected to happen in 2023.

Key performance indicators

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit, operating profit and profit on ordinary activities before taxation as set out in the statement of comprehensive income.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties of the company are as follows:

Price risk

Price risk arises on stock purchases but the company aims to minimise risk through effective management of inventory levels, monitoring stock turn and reviewing prices regularly. The company also considers price risk when negotiating contracts with customers.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that material deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. The company limits individual trade debtor exposures and these limits are reviewed on a continual basis.

PSM International Fasteners Limited

Strategic report

For the year ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

Currency risk

The company is exposed to transaction and translation foreign exchange risk. Management review foreign exchange exposure on a continual basis.

Liquidity risk

The company actively maintains a mix of debt finance that is designed to ensure the company has sufficient funds for operations.

Interest rate cash flow risk

The company has interest bearing assets which comprise only cash balances. These assets earn interest at fixed and floating rates.

Competitive risk

The company puts strong emphasis on its excellent service levels and quality of its product to maintain its position within the market.

On behalf of the Board

Simon Lee

Simon Lee

Director

22 December 2022

PSM International Fasteners Limited

Directors' report for the year ended 31 December 2021

Results and dividends

The loss for the year amounted to £652,000 (2020 loss: £462,000). The directors recommended and paid a dividend of £- (2020: £-).

Post balance sheet event

On 6 December 2022 the Directors took the decision to cease trading which is expected to happen in 2023.

Going concern

The Company has continued to generated losses in 2022 and on the 6 December 2022 the directors took the decision that the Company will cease trading during 2023, with any trading assets being realised and liabilities settled in the normal course of business, prior to the company liquidation. In light of this decision the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

Adjustments have been made in order to impair tangible assets down to their realisable values, which the directors have determined to be the value they will be transferred to other Bulten Group companies. No further adjustments were necessary to reduce assets to their recoverable amounts. Tangible assets have been reclassified to current assets. No further reclassification adjustments were necessary. No adjustments have been made to the balance sheet in regards to liabilities arising from the decision as the decision has been made after the balance sheet date. There were no changes to accounting policies as a result of the decision to cease trading.

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's operations. The main risks arising from the company's financial instruments are price risk, credit risk and foreign currency risk. The directors review and agree policies for managing each of these risks. These have been set out in further detail in the Strategic report. The policies have remained unchanged from previous years.

Directors

The directors who served the company during the year and up to the date of signing the financial statements unless otherwise stated were as follows:

Mr F Backstrom

Mr A M Nystrom

Mr I Paynter (resigned 20 December 2021)

Mr S Lee (appointed 4 January 2022)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they

PSM International Fasteners Limited

Directors' report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution concerning their re-appointment as auditors to the Company will be proposed at the Annual General Meeting.

On behalf of the Board

Simon Lee

**Simon Lee
Director
22 December 2022**

PSM International Fasteners Limited

Independent auditors' report to the members of PSM International Fasteners Limited

Report on the audit of the financial statements

Opinion

In our opinion, PSM International Fasteners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

PSM International Fasteners Limited

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law and health & safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the performance or position of the company. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Identifying and testing journal entries, in particular those having unusual account combinations; and
- Obtaining third party confirmations of all the Company's banking arrangements.

PSM International Fasteners Limited

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Brian Treharne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
22 December 2022

PSM International Fasteners Limited

Registered No: 00375564

Statement of Comprehensive Income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	5	5,247	4,994
Cost of sales		(5,111)	(4,818)
Gross profit		136	176
Distribution costs		(313)	(359)
Administrative expenses		(750)	(134)
Operating (loss)	6	(927)	(317)
Interest payable and similar expenses		-	-
Loss before taxation		(927)	(317)
Tax on (loss)	9	275	(145)
Loss for the financial year		(652)	(462)

PSM International Fasteners Limited

Balance Sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	10	-	682
		-	682
Current assets			
Tangible assets	10	1,121	-
Stocks	11	1,673	1,906
Debtors	12	1,223	898
Cash at bank and in hand		577	980
		4,594	3,784
Creditors: amounts falling due within one year	14	(4,211)	(3,431)
Net current assets		383	353
Total assets less current liabilities		383	1,035
Net assets		383	1,035
Capital and reserves			
Called-up share capital	16	1,188	1,188
Other reserves		4	4
Profit and loss account		(809)	(157)
Total shareholders' funds		383	1,035

The notes on pages 12 to 23 are an integral part of these financial statements.

The financial statements on pages 9 to 23 were approved by the board of directors on 22 December 2022 and were signed on its behalf by

Simon Lee

Simon Lee
Director

PSM International Fasteners Limited

Statement of changes in equity

For the year ended 31 December 2021

	Called up share capital	Other reserves	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
Balance as at 1 January 2021	1,188	4	(157)	1,035
Loss for the financial year	-	-	(652)	(652)
Total comprehensive expense for the year	-	-	(809)	383
Dividends	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 31 December 2021	1,188	4	(809)	383

For the year ended 31 December 2020

	Called up share capital	Other reserves	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
Balance as at 1 January 2020	1,188	4	305	1,497
Loss for the financial year	-	-	(462)	(462)
Total comprehensive expense for the year	-	-	(462)	(462)
Dividends	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 31 December 2020	1,188	4	(157)	1,035

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021

1 General Information

PSM International Fasteners Limited's ("the company") principal activity is the design, manufacture and sale of proprietary and non-proprietary fasteners and associated feed systems.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Ferry Lane, Pembroke, Pembrokeshire, SA71 4RE Wales.

2 Statement of compliance

The financial statements of PSM International Fasteners Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3 Summary of significant accounting policies

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.

Basis of preparation

The Financial Statements have been prepared on a basis other than going concern under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") and the Companies Act 2006.

The Company has continued to generated losses in 2022 and on the 6 December 2022 the directors took the decision that the Company will cease trading during 2023, with any trading assets being realised and liabilities settled in the normal course of business, prior to the company liquidation. In light of this decision the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern.

Adjustments have been made in order to impair tangible assets down to their realisable values, which the directors have determined to be the value they will be transferred to other Bulten Group companies. No further adjustments were necessary to reduce assets to their recoverable amounts. Tangible assets have been reclassified to current assets. No further reclassification adjustments were necessary. No adjustments have been made to the balance sheet in regards to liabilities arising from the decision as the decision has been made after the balance sheet date. There were no changes to accounting policies as a result of the decision to cease trading.

The comparatives have not been adjusted and were prepared on a going concern basis.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- i) a reconciliation of the number of shares outstanding at the beginning and end of the period (FRS 102 para 4.12(a)(iv));
- ii) the requirement to prepare a statement of cash flows (section 7 of FRS102 and para 3.17(d));
- iii) the requirements of Section 11 Financial Instruments (para 11.39 to 11.48A); and
- iv) the requirements of Section 33 Related Party Disclosures (para 33.7).

This information is included in the consolidated financial statements of Bulten AB as at 31 December 2020 which can be obtained from the company secretary at Box 9148, Gothenburg, Sweden SE-400 93.

Foreign currency

i) Functional and presentation currency

The company financial statements are presented in pound sterling.
The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in operating profit.

Revenue recognition

Revenue, which excludes value added tax and trade discounts is the fair value of the consideration received and receivable and represents the invoiced value of goods and services supplied during the year.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contribution into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

iii) Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and reliable estimate of the obligation can be made.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in the equity.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profits for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets concerned on a reducing balance basis. In the case of leasehold property the property is depreciated over the period of the lease.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Leasehold property	Length of the lease
Plant and machinery	Between 3-10 years

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss and included in 'Other operating (losses) / gains'

A provision has been made for any impairment.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3. Summary of significant accounting policies (continued)

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks less bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS102 in respect of the financial statements. The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Distribution to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued):

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in tangible fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profits in proportion to the capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the Statement of comprehensive income over the related assets useful life or the estimated period of the project for which the grant was received. Other grants are credited to the profit and loss account when received.

4 Critical accounting judgements and estimation uncertainty

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

a) Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical accounting judgments to the financial statements.

b) Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are addressed below.

i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and the associated impairment provision.

ii) Stock provisioning

The company designs and manufactures proprietary and non-proprietary fasteners and associated feed systems and is subject to changing customer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisions required. When calculating the stock provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw material. See note 11 for the net carrying amount of the stock and associated provision.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Critical accounting judgements and estimation uncertainty (continued)

iii) Carrying value of tangible assets

The carrying value of tangible assets is sensitive to changes in estimated useful lives, residual values, and expected cash flows from continued use. The useful economic lives and residual are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. When expected cash flows from continued use fall below the carrying value and impairment exercise is performed. See note 10 for the carrying value of tangible assets for how impairment has been assessed.

5 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2021	2020
	£'000	£'000
United Kingdom	1,627	1,499
Rest of Europe	1,856	1,810
Rest of the World	1,964	1,685
	5,247	4,994

6 Operating (loss)/profit

Operating (loss) / profit is stated after charging / (crediting):

	2021	2020
	£'000	£'000
Depreciation of owned tangible assets	115	97
Impairment of owned tangible assets	116	-
(Reverse) / impairment of trade receivables	(28)	43
Inventory recognised as an expense	2,412	2,347
Government grant income	(24)	(366)
Impairment of inventory / (reverse of impairment)	135	(198)
Operating lease costs - land and buildings	125	125
Net gain on foreign currency translation	(53)	(8)
Services provided by the company's auditor:-		
Fees payable for the audit of the company	26	26
Fees payable for other services	-	-

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Employee information

The average monthly number of staff employed by the company during the financial year amounted to:

	2021 Number	2020 Number
Production staff	42	49
Distribution staff	3	3
Administration staff	5	6
	50	58

The aggregate payroll costs of the above were

	£'000	£'000
Wages and salaries	1,493	1,359
Social security costs	125	116
Other pension costs	45	42
	1,663	1,517

8 Directors' emoluments

The directors' aggregate remuneration in respect of qualifying services were:

	2021 £'000	2020 £'000
Remuneration receivable	92	80
Value of company pension contributions to money purchase schemes	7	6
	99	86

Compensation for loss of office of £19,466 (2020: £nil) plus £1,557 (2020: £nil) pension contribution was paid to a Director in 2022.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Tax on (loss)

(a) Analysis of charge in the year

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
Group relief	(275)	-
Total current tax (credit) / charge:	(275)	-
Deferred tax:		
Origination and reversal of timing differences	-	162
Effect of changes in tax rates	-	(17)
Total deferred tax credit (note 14)	-	145
Tax charge on profit	(275)	145

(b) Factors affecting current tax charge

The tax assessed on the loss for the year to the standard rate of corporation tax in the UK of 19%.

	2021	2020
	£'000	£'000
Loss on ordinary activities before taxation	(927)	(317)
Loss before taxation multiplied by standard rate in the UK of 19% (2020: 19%)	(176)	(60)
Effects of:		
Expenses not deductible for tax purposes	22	12
Tax rate changes	-	(17)
Deferred tax not recognised	(121)	210
Total tax charge	(275)	145

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Tangible assets

	Leasehold property £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 January 2021	24	6,021	6,045
Additions	-	670	670
At 31 December 2021	24	6,691	6,715
Accumulated depreciation			
At 1 January 2020	24	5,339	5,363
Charge for the year	-	115	115
Impairment	-	116	116
At 31 December 2021	24	5,570	5,594
Net book value			
At 31 December 2021	-	1,121	1,121
At 31 December 2020	-	682	682

In light of the decision to cease trading during 2023, the directors have written down the tangible assets down to the net realisable value, which the directors have determined to be the value they will be transferred to other Bulten Group companies. Any tangible assets not being transferred have been impaired to £nil.

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Stocks

	2021	2020
	£'000	£'000
Raw materials and consumables	252	286
Work in progress	157	178
Finished goods	1,264	1,442
	1,673	1,906

Inventories are stated after provisions for impairment of £546,000 (2020: £638,000).

12 Debtors

	2021	2020
	£'000	£'000
Trade debtors	483	501
Amounts owed by group undertakings	612	291
Other debtors	96	38
Prepayments and accrued income	32	68
	1,223	898

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

Trade debtors are stated after provision for impairment of £29,000 (2020: £1,000).

13 Deferred taxation

The movement in the deferred taxation account during the year was:

	2021	2020
	£'000	£'000
Brought forward at 1 January	-	145
Profit and loss account movement arising during the year	-	(145)
At 31 December	-	-

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Deferred taxation (continued)

The Company has unrecognised deferred tax assets of £111,000 (2020: £210,000) and £111,000 (2020: 217,000) relating to losses.

	2021		2020	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Excess of depreciation over taxation allowances	(215)	-	-	(27)
Tax losses available	195	111	-	217
Other timing differences	20	-	-	20
	-	111	-	210

14 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	610	313
Amounts owed to group undertakings	3,119	2,716
Other taxation and social security	47	30
Accruals and deferred income	435	372
	4,211	3,431

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

15 Commitments under operating leases

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021		2020	
	Land and Buildings £'000	Other Items £'000	Land and Buildings £'000	Other items £'000
- within one year	125	-	125	-
- between two and five years	250	-	375	-
	375	-	500	-

PSM International Fasteners Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Called up share capital

Allocated, called up and fully paid.

	2021		2020	
	Number	£'000	Number	£'000
1,188,347 Ordinary shares of £1 each	1,188,347	1,188	1,188,347	1,188

Dividends totalling £nil (2020: £nil) have been paid in the financial year

17 Contingent liability

The company is a party to a cross guarantee in favour of DBS Bank Ltd. amounting to \$20 million US dollars in respect of borrowings of PSM Investments Limited. These borrowings are secured on the assets of PSM International Holdings Limited.

The company also entered into an Unlimited Multilateral Guarantee dated 24 May 2011 given by PSM International Limited, PSM International Fasteners Limited and PSM International Holdings Limited.

18 Controlling parties

The immediate parent undertaking of the company is Bulten AB, a company registered in Sweden, which is the smallest and largest group of which the company is a member that prepares group financial statements including the results of the company. Bulten AB is a company registered in Sweden at Box 9148, Gothenburg, Sweden SE-400 93.

19 Related party transactions

The company has taken advantage of the exemption conferred by FRS102 not to disclose transactions with companies that are wholly owned within the PSM group. At the year end, the company had amounts due from PSM Celada Fasteners (Italy) amounting to £6,649 (2020: £49,274).

20 Post balance sheet events

On 6 December 2022, the Directors took the decision to cease trading which is expected to happen in 2023.