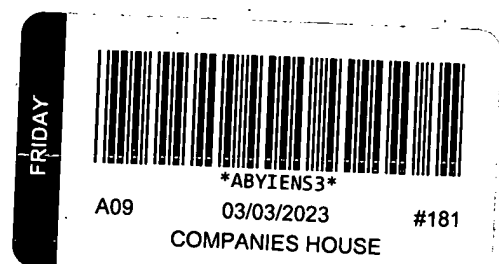


Hadley Industries Plc

Annual report and financial statements

Registered number 05740671

For the year ended 30 April 2022



Contents

Strategic report	3
Directors' report	4
Statement of directors' responsibilities	5
Independent auditor's report to the members of Hadley Industries Plc	6
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes	12

Strategic Report

The directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2022.

Principal activity

The principal activity of the Company is as a holding company. The Company's investments primarily perform the cold rolling of steel products and the provision of administration, management, tooling, maintenance and research services associated with this activity.

There have been no significant changes in the Company's principal activities in the year under review.

Business restructure

In September 2021 the Group completed a family ownership restructuring to more closely align the shareholdings in the Group with its management structure. There have been no changes to the day-to-day management of the Group.

The restructure involved the creation of the new company - Hadley Group Holdings Limited. This company will act as the new holding company for the Group's trading activities.

The transaction involved the purchase of 100% of Hadley Industries Plc share capital.

Business review and future developments

The Company is a holding company for the subsidiaries of the Hadley Group. The Company incurred interest costs on its borrowings associated with this activity.

The audited financial statements for the year ended 30 April 2022 are set out on pages 9 to 18. The profit for the year after taxation was £68,000 (2021: £83,000). At the year end the Company had net assets of £10,794,000 (2021: £13,510,000).

Key performance indicators

The directors monitor the costs incurred within the holding Company on a regular basis. The Company does not engage in trading and sensible control of overheads is the prime objective.

Principal risks and uncertainties

The financial risk the directors consider relevant to the Company is liquidity risk.

The Company is vulnerable to liquidity risk if short term funds are not available to meet current liabilities. This risk is mitigated by detailed cash flow forecasting and short term borrowing facilities.

By order of the board



BS Towe
Company Director

28th February 2023

PO Box 92
Downing Street
Smethwick
West Midlands
B66 2PA

Directors' report

Directors

The directors of the Company who were in office during the year and up to date of signing the financial statements were as follows:

SR Towe CBE DL
BS Towe
GA Towe
MA Castellucci
JM Jaggar

Directors' indemnities and insurance

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force as at the date of this report. The Company maintains directors' and officers' liability insurance for its Directors and officers.

Dividends

During the year two dividend payments were made of £43.15 per share, totalling £2,157,000 and £12.52 per share, totalling £626,000 (2021: £12.52 per share totalling £626,000).

Charitable and political donations

During the year the Company made no charitable donations (2021: Nil). There were no political donations (2021: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

By order of the board



BS Towe
Company Director

28th February 2023

PO Box 92
Downing Street
Smethwick
West Midlands
B66 2PA

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HADLEY INDUSTRIES PLC

Opinion

We have audited the financial statements of Hadley Industries plc (the 'company') for the year ended 30 April 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with relevant authorities.

We have not identified any significant laws and regulations that have an indirect impact on the financial statements due to the company being a holding company.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business

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

Use of our report

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

RSM UK Audit LLP

Ian Wall (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

103 Colmore Row

Birmingham

West Midlands

B3 3AG

Date: 28 February 2023

Profit and Loss Account
for the year ended 30 April 2022

	<i>Note</i>	2022 £000	2021 £000
Administrative expenses		(19)	(23)
Operating loss		(19)	(23)
Interest payable and similar expenses	4	(158)	(138)
Loss before taxation		(177)	(161)
Tax on profit	5	245	244
Profit after taxation and total comprehensive income		68	83

The notes on pages 12 to 18 form part of these financial statements.

Balance Sheet
at 30 April 2022

	<i>Note</i>	2022 £000	2021 £000
Fixed assets			
Investments in subsidiary undertakings	7	53,283	52,928
		<u>53,283</u>	<u>52,928</u>
Current assets			
Debtors	8	4,333	3,367
Cash		408	
Creditors: amounts falling due within one year	9	<u>(44,080)</u>	<u>(39,054)</u>
Net current liabilities		<u>(39,339)</u>	<u>(35,687)</u>
Total assets less current liabilities		<u>13,944</u>	<u>17,241</u>
Creditors: amounts falling due after more than one year	10	<u>(3,150)</u>	<u>(3,731)</u>
Net assets		<u>10,794</u>	<u>13,510</u>
Capital and reserves			
Called up share capital	12	50	50
Share premium account		1,384	1,384
Profit and loss account		9,360	12,076
Shareholders' funds		<u>10,794</u>	<u>13,510</u>

These financial statements on pages 9 to 18 were approved by the board of directors on signed on its behalf by:

and were



BS Towe
Director

28th February 2023

Company registered number: 05740671

Statement of Changes in Equity

	Called up Share capital £000	Share Premium account £000	Profit & loss account £000	Total equity £000
Balance at 1 May 2020	50	1,384	12,619	14,053
Total comprehensive income for the period ended 30 April 2021				
Profit	-	-	83	83
Total comprehensive income for the period	-	-	83	83
Dividends	-	-	(626)	(626)
Balance at 30 April 2021	50	1,384	12,076	13,510
Total comprehensive income for the period ended 30 April 2022				
Profit	-	-	68	68
Total comprehensive income for the period	-	-	68	68
Dividends	-	-	(2,784)	(2,784)
Balance at 30 April 2022	50	1,384	9,360	10,794

Notes

(forming part of the financial statements)

1 Accounting policies

Hadley Industries Plc (the "Company") is a public company limited by shares and incorporated and domiciled in the UK. The registered number is 05740671 and the registered address and principal place of business is PO Box 92, Downing Street, Smethwick, West Midlands B66 2PA. The Company's principal activities are detailed on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements contain information about Hadley Industries Plc as an individual company and do not contain consolidated financial information. The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Hadley Group Holdings Ltd, a company incorporated in the United Kingdom. The consolidated financial statements of Hadley Group Holdings Ltd are prepared in accordance with FRS102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Related party disclosures.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The ability of the Company to continue as a going concern is inextricably linked to the stability of the Group as a whole.

Previous to the ownership restructuring carried out in September 2021 the Group has had a long history of profitable and stable trading. However, the FY21/22 & FY22/23 years have seen a period of unprecedented volatility in commodity markets which are key to the Group's cost position and resulting financial performance. This period has provided a challenging background to conducting our business.

The period ended April 2022 saw a financial upside because of this volatility. However, we expect to report a significantly worse trading result for the year ended April 2023 due to opposite factors. We do not consider either of these periods to be typical and need to be taken together as a whole.

The Group has two long term loans over which our bank have applied covenant requirements. The facilities will expire and are due for renewal in June and December 2023. The Group has prepared detailed budgets to re-forecast its profitability, cash position and covenant compliance over the next 12 month period. Our bank has supported a relaxation of the original covenants based on these revised forecasts. This has been fully ratified and approved by the bank, which they have confirmed. The decision to proceed with the revised terms is now fully at the discretion of the Group. The directors have met and agreed to accept these terms and have no undue concerns regarding complying with the new covenants.

Monitoring of our trading performance against these covenants will provide the Directors with the information required to ensure the Group has adequate resources available to it to meet the requirements of its stakeholders

Our bank has also confirmed it will renew our existing £5.0m revolving loan facility initially until December 2023 to support us through this turbulent period.

As with many commodities the steel market is inherently volatile. We expect this volatility to continue but not to the same extent as we have seen over the previous 12 months. We are confident we have the appropriate expertise and experience in the steel market alongside good working relationships with our supply chain. Against this backdrop the market volatility represents an uncertainty but not a material uncertainty.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Group has long established relationships with customers and suppliers which, together with the Group's underlying financial strength, provide a solid foundation for the future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to settle any debts as they fall due.

A letter of support has been provided in relation to the Company's intercompany balances, confirming that any amounts outstanding will not be recalled.

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The Directors have considered post balance sheet events and conditions, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overs that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.6 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7 Other profit and loss account items

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax expenses or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

1.9 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no critical judgements made in the process of applying the Company's accounting policies.

The directors do not consider there to have been any significant estimates and judgements relevant to the preparation of these financial statements.

2 Expenses and auditor's remuneration

Auditor's remuneration:

	2022 £000	2021 £000
Audit of these financial statements	13	13

3 Staff numbers and costs

The average number of persons employed by the Company during the year was nil (2021: nil).

4 Interest payable and similar expenses

	2022 £000	2021 £000
Bank loans and overdraft	158	138
Total other interest payable and similar expenses	158	138

5 Taxation

Total tax expense recognised in the profit and loss account

	2022 £000	2021 £000
<i>Current tax</i>		
UK corporation tax on profits for the period	(245)	(242)
Adjustments in respect of prior periods	-	(2)
Total credit to profit	(245)	(244)

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit excluding taxation	(177)	(161)
Tax using the UK corporation tax rate of 19% (2021: 19 %)	(34)	(31)
Transfer pricing adjustments	(211)	(211)
Adjustment from previous periods	-	(2)
Total tax credit included in profit or loss	(245)	(244)

6 Dividends

During the year two interim dividend payments were made of £43.15 per share, totalling £2,157,000 and £12.52 per share, totalling £626,000 (2021: £12.52 per share totalling £626,000).

Notes (continued)

7 Fixed asset investments

Fixed asset investments in subsidiary undertakings

£000

Cost and net book value

At the beginning of the year	52,928
Additions	355

Total investments in subsidiary undertakings	53,283
---	---------------

The undertakings in which the Company's interest at the year-end is more than 50% are as follows.

	Country of incorporation	Principal activity	Percentage of ordinary shares held	Key
Subsidiary undertakings				
Hadley Industries Overseas Holdings Limited	England and Wales	Holding Company	100	A
Hadley Industries Holdings Limited	England and Wales	Rolling of metal sections	100	A
Hadley US LLC	USA	Holding Company	100	B

Key	Registered Office
A	PO Box 92 Downing Street, Smethwick, West Midlands, B66 2PA
B	251 Little Falls Dr, Wilmington, DE 19808, USA

The Company has taken advantage of the exemption available under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the basis that it is a subsidiary undertaking of Hadley Group Holdings Ltd, the ultimate parent company of the group.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

8 Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	883	-
Other debtors	-	161
Group relief receivable	3,450	3,206
	4,333	3,367

Notes (continued)

9 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Bank loans & overdrafts (see note 11)	581	2,010
Amounts owed to group undertakings	37,020	37,020
Other creditors	19	24
Directors Loan Account	6,460	-
	<u>44,080</u>	<u>39,054</u>

10 Creditors: amounts falling after more than one year

	2022 £000	2021 £000
Bank loans (see note 11)	3,150	3,731
	<u>3,150</u>	<u>3,731</u>

11 Bank loans and overdrafts

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2022 £000	2021 £000
Creditors falling due within less than one year		
Secured bank loans & overdrafts	581	1,841
Bank overdrafts	-	169
	<u>581</u>	<u>2,010</u>
Creditors falling due more than one year		
Secured bank loans & overdrafts	3,150	3,731
	<u>3,150</u>	<u>3,731</u>

The bank loans and overdrafts are secured by a first mortgage over land and buildings, a fixed charge over book debts and a floating charge over all other group assets. The bank loan incurs interest at rates between 2.00% and 3.00% (2021: 2.35% and 3.68%). The bank loans are denominated in Sterling and are subject to quarterly repayments on a 10 year amortisation profile. There are covenants in place on these bank loans based on ratios of EBITDA to financing costs and net debt and a ratio of cash flow to debt service payments.

Bank loans analysis:

	2022 £000	2021 £000
Less than one year	581	1,841
Between one and five years	2,400	2,381
More than five years	750	1,350
	<u>3,731</u>	<u>5,572</u>

Notes (continued)

12 Capital and reserves

Share capital

	2022 £000	2021 £000
<i>Allotted, called up and fully paid</i>		
50,000 ordinary shares of £1 each	50	50
	<hr/> 50	<hr/> 50

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Commitments

The Company has a fixed charge over book and other debts and a floating charge placed over all other assets of the Company and its subsidiary undertakings in order to guarantee the bank loans and overs of its subsidiary undertakings.

14 Contingencies

The Company has guaranteed the various credit facilities of all subsidiary companies. The bank holds a fixed charge over book and other debts and a floating charge over all other assets. Certain of the borrowings have been secured by a first legal charge over some of the group properties.

15 Reserves

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

The profit and loss account is the cumulative profit and loss, net of any distributions made to the owners.

16 Related party disclosures

Unsecured loans, repayable on demand, were made to directors and were outstanding during the year. The amount of debt including interest due to the company at the beginning of the year was £Nil, the maximum during the year was £546,000 and at the end of the year was £Nil. Interest charged during the year amounted to £1,400.

As a wholly owned subsidiary undertaking of Hadley Group Holdings Ltd, the company has taken advantage of the exemption under FRS102 not to disclose transactions that have been made between the Company and other fellow 100% owned subsidiaries of Hadley Group Holdings Ltd.

17 Ultimate parent company and parent company of larger group

The immediate and ultimate parent undertaking is Hadley Group Holdings Ltd, a registered company in England and Wales. The group financial statements of Hadley Group Holdings Ltd are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.

Ben Towe, a director of Hadley Group Holdings Ltd, controls the Company as a result of holding via Trusts, over 50% of the issued ordinary share capital of Hadley Group Holdings Ltd.