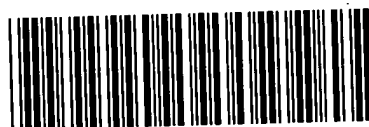


Company registration number 10687859 (England and Wales)

**ALLOYED LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

TUESDAY



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# ALLOYED LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Dr F Adziman	
	W Goodlad	
	Mr M Holmes	
	M King	(Appointed 1 April 2021)
	K Nose	(Appointed 1 April 2021)
	Prof. R Reed	
	K Marukawa	(Appointed 11 February 2022)
	Z Faizal-Khoo	(Appointed 1 August 2022)
<b>Company number</b>	10687859	
<b>Registered office</b>	Unit 15 Oxford Industrial Park Mead Road Yarnton Oxfordshire OX5 1QU	
<b>Auditor</b>	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton SO14 3TL	

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# **ALLOYED LIMITED**

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# ALLOYED LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

The principal activity of the company continued to be that of the licensing and sale of advanced alloys and alloy components, and the sale of services relating to those activities. It develops and operates a computational and experimental platform for the rapid design of new alloys, with a scope which it is expanding from its origins in nickel and titanium alloys for the aerospace and gas turbine sectors to a wider range of alloys for a number of industrial, medical, and consumer markets.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr F Adziman	
S Babu	(Resigned 1 June 2022)
W Goodlad	
Mr M Holmes	
M King	(Appointed 1 April 2021)
K Nose	(Appointed 1 April 2021)
Prof. R Reed	
T Mizuguchi	(Resigned 1 April 2021)
C Freed	(Appointed 22 December 2021 and resigned 1 August 2022)
K Marukawa	(Appointed 11 February 2022)
Z Faizal-Khoo	(Appointed 1 August 2022)

#### Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, and for at least 12 months from the approval of these financial statements.

The Company has £12.7m in cash at the end of November 2022. Based on anticipated rates of cash burn, this represents at least 12 months further runway. Should revenue estimates fall below expectation, discretionary expenditure can be reduced to mitigate this. The directors therefore consider it is appropriate to prepare these accounts on a Going Concern basis.

#### Small companies exemption

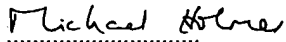
This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. In addition, the company has taken advantage of the exemption available and has not presented a Strategic Report.

**ALLOYED LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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On behalf of the board



Mr M Holmes  
**Director**

Date: 2 December 2022

## **ALLOYED LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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. 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.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLOYED LIMITED

---

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss 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.

We have audited the financial statements of Alloyed Limited ("the Company") for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

### 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## **ALLOYED LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLOYED LIMITED**

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#### **Other Companies Act 2006 reporting**

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

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

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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, 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.



# ALLOYED LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALLOYED LIMITED

---

### 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.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk related to the posting of inappropriate journal entries to improve the result before tax for the year.

Procedures performed by the audit team included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities, particularly in relation to the recording of income; and
- Assessment of journal entries to accounts that were considered to carry a greater risk of fraud as part of our planned audit approach

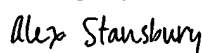
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:



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**Alex Stansbury (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP**

06 December 2022

Date: .....

**Statutory Auditor**

Arcadia House  
Maritime Walk - Ocean Village  
Southampton  
SO14 3TL

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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## ALLOYED LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £ 000	2021 £ 000
Turnover	4	4,496	1,475
Cost of sales		(2,378)	(917)
<b>Gross profit</b>		<b>2,118</b>	<b>558</b>
Administrative expenses		(11,409)	(6,656)
Other operating income		457	532
<b>Operating loss</b>	7	<b>(8,834)</b>	<b>(5,566)</b>
Interest receivable and similar income		-	30
Interest payable and similar expenses		(949)	(986)
Amounts written off investments		(89)	-
<b>Loss before taxation</b>		<b>(9,872)</b>	<b>(6,522)</b>
Tax on loss		903	649
<b>Loss for the financial year</b>		<b>(8,969)</b>	<b>(5,873)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The company has no recognised gains or losses for the year other than the results above.

## **ALLOYED LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 31 MARCH 2022**

---

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Loss for the year</b>	<b>(8,969)</b>	<b>(5,873)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive expense for the year</b>	<b><u>(8,969)</u></b>	<b><u>(5,873)</u></b>

# ALLOYED LIMITED

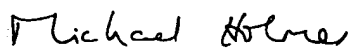
## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £ 000	2021 £ 000
<b>Fixed assets</b>			
Intangible assets	9	32	44
Tangible assets	10	4,789	1,846
Investments	11	37	100
		4,858	1,990
<b>Current assets</b>			
Stocks		312	246
Debtors	13	2,829	2,461
Cash at bank and in hand		20,861	9,662
		24,002	12,369
<b>Creditors: amounts falling due within one year</b>	14	(2,584)	(1,462)
<b>Net current assets</b>		21,418	10,907
<b>Total assets less current liabilities</b>		26,276	12,897
<b>Creditors: amounts falling due after more than one year</b>	15	(2,347)	(6,678)
<b>Net assets</b>		23,929	6,219
<b>Capital and reserves</b>			
Called up share capital	16	11	6
Share premium account		46,442	22,699
Other reserves		1,901	(1,031)
Profit and loss reserves		(24,425)	(15,455)
<b>Total equity</b>		23,929	6,219

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A for small entities.

The financial statements were approved by the board of directors and authorised for issue on 2nd December 2022 and are signed on its behalf by:



Mr M Holmes  
Director

Company Registration No. 10687859

# ALLOYED LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital £ 000	Share premium account £ 000	Other reserves £ 000	Profit and loss reserves £ 000	Total £ 000
<b>Balance at 1 April 2020</b>		6	22,699	1,466	(9,582)	14,589
<b>Year ended 31 March 2021:</b>						
Loss and total comprehensive expense for the year		-	-	-	(5,873)	(5,873)
Share based payment charge		-	-	774	-	774
Group reconstruction		-	-	(3,271)	-	(3,271)
<b>Balance at 31 March 2021</b>		6	22,699	(1,031)	(15,455)	6,219
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive expense for the year		-	-	-	(8,969)	(8,969)
Issue of share capital	16	4	16,934	-	-	16,938
Conversion of loan to equity	16	1	6,809	-	-	6,810
Share based payment charge		-	-	2,994	-	2,994
Group reconstruction		-	-	(63)	-	(63)
<b>Balance at 31 March 2022</b>		11	46,442	1,901	(24,425)	23,929

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Company information

Alloyed Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 15, Oxford Industrial Park, Mead Road, Yarnton, Oxfordshire, OX5 1QU.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ 000.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, and for at least 12 months from the approval of these financial statements.

The Company has £12.7m in cash at the end of November 2022. Based on anticipated rates of cash burn, this represents at least 12 months further runway. Should revenue estimates fall below expectation, discretionary expenditure can be reduced to mitigate this. The directors therefore consider it is appropriate to prepare these accounts on a Going Concern basis.

#### 1.3 Turnover

Turnover is stated net of sales/value added tax, returns, rebates and discounts. Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and it is recorded at the value of the consideration due. Where a contract has only been partially completed at the Balance Sheet date, turnover represents the value of work performed to the Balance Sheet date. The company uses the percentage of completion method based on the actual costs incurred as a percentage of the total projected costs. Where payments are received from customers in advance of services provided, these amounts are recorded as deferred income and included within creditors. Where services are provided before payments are received from customers, these amounts are recorded as accrued income and included within debtors. Where a contract has a projected loss, the full loss is recognised.

#### 1.4 Research and development expenditure

Research and development expenditure is charged to the statement of comprehensive income in the period in which it is incurred. Research and development tax credits for small and medium enterprises are claimed on qualifying expenditure and are included within taxation in the statement of comprehensive income. Where unpaid, research and development tax credits are included as receivables at the year end.

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

Patents and Software are shown at historical cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of 3 years on a straight line basis, with trademarks, patents and licenses amortised over 5 years on a straight line basis. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks, patents & licences	20% straight line basis
Software	33% straight line basis
Website	33% straight line basis

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Machinery	33% straight line basis
Computers and other office equipment	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

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

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, loan notes and loans from fellow group companies classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

With the exception of convertible loan notes, debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Convertible loan notes**

Convertible loan notes are recognised wholly within liabilities on the basis that they convert into a variable number of shares. The liability is measured at fair value on the basis of the present value of the instruments to be issued in settlement. Any movements in fair value are recognised in profit and loss.

The coupon rate of interest and imputed interest relating to the discount to the share price provided to the loan note holders is recognised as a finance cost.

#### 1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are receivable or deductible in other years and it further excludes items that are never receivable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.16 Share-based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. Options vest using the grading method from the date of grant. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated with reference to actual prices achieved in fundraising and business progress at the grant date, using the Black Scholes method. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. No options were exercised during the year. Non-exercised share options are held within other reserves.

As at 31 March 2022 1,508,011 (2021 - 1,307,342) share options remain to be exercised.

##### 1.17 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

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 the profit and loss account.

#### 1.20 Deferred consideration

Deferred consideration is measured at fair value. Where the time value of money is immaterial, no adjustments are made.

### 2 Change in accounting policy

There were no new standards, interpretations or amendments applied in the year.

### 3 Judgements and key sources of 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 reasonable under the circumstances.

#### Critical judgements

##### Share based payments

The Directors determine the costs of the share-based payments plan on the basis of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model, the Black Scholes model, for these equity instruments by which characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgements like the estimated expected life of the option, volatility and share price.

The ordinary share price at the date of issue is a key estimate. In making this estimate, the directors consider that the ordinary share value equates to that of the preference shares and that share value increases accrue evenly between funding rounds. Had the directors determined that the ordinary shares had a lower value than the preference shares, the share based payment charge would be lower.

## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 4 Turnover and other revenue

Turnover comprises of the following sales: Contract development fees £4,064k (2021 - £1,227k), License fees £27k (2021 - £12k), Components £345k (2021 - £236k) and Powder £62k (2021 - £nil).

#### 5 Auditor's remuneration

	2022	2021
	£ 000	£ 000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	30	29
	<u>      </u>	<u>      </u>

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	67	49
	<u>      </u>	<u>      </u>

No persons employed by Alloyed Ltd carried out work on behalf of Betatype Ltd during the year (2021 - 7). Consequently no payroll costs (2021 - £383k) were cross charged to Betatype Ltd during the year.

#### 7 Operating loss

	2022	2021
	£ 000	£ 000
Operating loss for the year is stated after charging:		
Research and development costs	920	357
Government grants	(386)	(138)
Depreciation of owned tangible fixed assets	898	456
Profit on disposal of tangible fixed assets	-	(19)
Amortisation of intangible assets	35	38
Share-based payments	2,994	774
Operating lease charges	429	319
	<u>      </u>	<u>      </u>

#### 8 Taxation

The corporation tax rate effective during the year is 19% (2021 - 19%).

Tax adjusted losses have been included within appropriate deferred tax calculations as disclosed in note 13. The effective tax rate for deferred tax is 25%.

The company has undertaken research and development tax credit claims resulting in an amount payable of £948k (2021 - £649k).

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 9 Intangible fixed assets

	Licences £ 000	Software £ 000	Website £ 000	Total £ 000
<b>Cost</b>				
At 1 April 2021	120	78	-	198
Additions	-	-	20	20
At 31 March 2022	120	78	20	218
<b>Amortisation and impairment</b>				
At 1 April 2021	96	55	-	151
Amortisation charged for the year	24	11	-	35
At 31 March 2022	120	66	-	186
<b>Carrying amount</b>				
At 31 March 2022	-	12	20	32
At 31 March 2021	24	20	-	44

### 10 Tangible fixed assets

	Assets under construction £ 000	Machinery £ 000	Computers and other office equipment £ 000	Total £ 000
<b>Cost</b>				
At 1 April 2021	63	2,247	225	2,535
Additions	497	3,198	177	3,872
Disposals	-	(28)	(5)	(33)
Transfers	(521)	521	-	-
At 31 March 2022	39	5,938	397	6,374
<b>Depreciation and impairment</b>				
At 1 April 2021	-	567	122	689
Depreciation charged in the year	-	814	84	898
Disposals	-	-	(2)	(2)
At 31 March 2022	-	1,381	204	1,585
<b>Carrying amount</b>				
At 31 March 2022	39	4,557	193	4,789
At 31 March 2021	63	1,680	103	1,846

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 11 Fixed asset investments

	2022 £ 000	2021 £ 000
Shares in group undertakings and participating interests	37	100

#### Movements in fixed asset investments

	Shares in subsidiaries £ 000
<b>Cost or valuation</b>	
At 1 April 2021	100
Impairments	(63)
At 31 March 2022	37
<b>Carrying amount</b>	
At 31 March 2022	37
At 31 March 2021	100

### 12 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
Oxmet Inc.	USA	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00	-
Betatype Group Limited	UK	Holding company	Ordinary shares	100.00	-
Alloyed KK	Hong Kong	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00	-
Betatype Software Ltd	UK	Dormant	Indirect	-	100.00
Betatype Limited	UK	Provision of engineering consultancy	Indirect	-	100.00
Alloyed Inc.	USA	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 12 Subsidiaries

(Continued)

Name of undertaking	Capital and Reserves £ 000	Profit/(Loss) £ 000
Oxmet Inc.	(38)	-
Betatype Group Limited	1	-
Alloyed KK	31	-
Betatype Software Ltd	1	-
Betatype Limited	1	-
Alloyed Inc.	(1)	-

### 13 Debtors

	2022 £ 000	2021 £ 000
<b>Amounts falling due within one year:</b>		
Trade debtors	329	408
Corporation tax recoverable	948	649
Amounts owed by group undertakings	176	954
Other debtors	491	66
Prepayments and accrued income	885	384
	<u>2,829</u>	<u>2,461</u>

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

As at the balance sheet date, the Company had an unrecognised deferred tax net asset relating to fixed assets, unutilised losses and unpaid defined pension contributions totaling £2,008k (2021 - £1,306k). It is not expected that this asset will be recognised in the short term as the company is not expected to make taxable profits to offset against the losses in the near future.

### 14 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Obligations under finance leases	662	281
Trade creditors	1,095	406
Taxation and social security	142	111
Other creditors and deferred consideration	54	350
Accruals and deferred income	631	314
	<u>2,584</u>	<u>1,462</u>

# ALLOYED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 15 Creditors: amounts falling due after more than one year

	Notes	2022 £ 000	2021 £ 000
Convertible loans	18	-	5,935
Obligations under finance leases	17	2,347	743
		<u>2,347</u>	<u>6,678</u>

### 16 Called up share capital

	2022 No. '000	2021 No. '000	2022 £ 000	2021 £ 000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of 0.01p each	2,792	2,792	0.28	0.28
Ordinary shares of 0.1p each	2,295	2,295	2.29	2.29
Preferred shares of 0.1p each	8,497	3,745	8.50	3.75
	<u>13,584</u>	<u>8,832</u>	<u>11.07</u>	<u>6.32</u>

On 26 November 2021 the company issued 1,000,000 £0.001 Preferred shares for consideration of £5,000k.

Also on 26 November 2021, convertible loan stock issued by the company totalling £5,000k was converted to shares. A total of 1,364,410 £0.001 Preferred shares were allotted in respect of this.

On 1 December 2021 the company issued a further 2,387,400 £0.001 Preferred shares for consideration of £11,937k.

### 17 Finance lease obligations

	2022 £ 000	2021 £ 000
Future minimum lease payments due under finance leases:		
Within one year	662	281
In two to five years	2,347	743
	<u>3,009</u>	<u>1,024</u>

The carrying amounts of the finance leases are £3,009k (2021 - £1,024k), which consists of the total gross payments due of £3,617k - (2021 - £1,115k), less finance charges of £343k and maintenance charges of £265k (2021 - £90k in total).

The total future gross minimum lease payments due not later than one year is £848k (2021 - 315k), and the total future gross minimum lease payments due later than one year is £2,651k (2021 - £799k).



## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 18 Convertible loan notes

	2022 £ 000	2021 £ 000
Convertible loan notes	-	5,935

On 26 November 2021 the convertible loan notes were converted to 1,364,410 £0.001 Preferred shares.

#### 19 Operating lease commitments

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022 £ 000	2021 £ 000
Within one year	256	335
Between two and five years	919	945
In over five years	389	619
	<u>1,564</u>	<u>1,899</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £429k (2021 - £319k).

#### 20 Financial commitments, guarantees and contingent liabilities

##### **Amounts disclosed in the balance sheet**

##### **Pensions**

Included in the balance sheet are pensions of £47k (2021 - £31k). The company operates a defined contributions pension scheme for the employees. The assets of the scheme are held separately from those of the company in an independent administered fund.

##### **Patents**

Patents are Intellectual Property rights purchases from a third party. In the event of an exit, Alloyed Limited will incur liability which will be based on the valuation of the company at the date of the exit.

Royalties of 0.75% - 30% of revenue are due to Oxford University Innovation Limited, based on the type of revenue and the time elapsed since the signing of the license agreement. Royalties paid in the year were £6k (2021 - £24k).

#### 21 Directors' remuneration

	2022 £ 000	2021 £ 000
Remuneration for qualifying services	564	512
Company pension contributions to defined contribution schemes	47	46
	<u>611</u>	<u>558</u>

## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 21 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2021 - 3).

The number of directors who are entitled to receive shares under long term incentive schemes was 4 (2021 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £ 000	2021 £ 000
Remuneration for qualifying services	271	263
Company pension contributions to defined contribution schemes	24	24

The highest paid director has been entitled to receive shares under a long term incentive scheme during the year.

#### 22 Related party transactions

##### Remuneration of key management personnel

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2022 £ 000	2021 £ 000
Aggregate compensation	1,434	843

## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 22 Related party transactions

(Continued)

##### Summary of transactions with key management:

##### **Michael Holmes**

Director and shareholder

Alloyed Limited granted share options to Michael Holmes valued at £1,771k (2021 - £nil). During the year, share options previously granted to Michael Holmes by Alloyed Ltd, valued at £572k, were cancelled.

##### **Dr Fauzan Adziman**

Director and shareholder

Alloyed Limited granted share options to Dr Adziman valued at £98k (2021 - £75k). During the year, share options previously granted to Dr Adziman by Alloyed Ltd, valued at £47k, were cancelled.

##### **Sarat Babu**

Director and shareholder

Alloyed Limited did not grant any share options to Sarat Babu during the year (2021 - £150k).

##### **Professor R. Reed**

Director and shareholder - professor at the University of Oxford

From January 2020 Professor Reed invoiced consultancy services via Mettech Consulting Limited, totalling £35k in the year ended 31 March 2022 (2021: £70k). The balance due to Mettech Consulting Limited at the balance sheet date was £nil (2021 - £21k).

During the year, share options previously granted to Professor Reed by Alloyed Ltd, valued at £90k, were cancelled.

##### **Mark King**

Director and shareholder

Alloyed Limited granted share options to Mark King valued at £354k.

##### **David Crudden**

Shareholder and employee

Alloyed Limited granted share options to David Crudden valued at £98k (2021 - £75k). During the year, share options previously granted to David Crudden by Alloyed Ltd, valued at £47k, were cancelled.

##### **Enrique Alabort**

Shareholder and employee

Alloyed Limited granted share options to Enrique Alabort valued at £98k (2021 - £75k). During the year, share options previously granted to Enrique Alabort by Alloyed Ltd, valued at £47k, were cancelled.

## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 22 Related party transactions

(Continued)

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

##### University of Oxford

Shareholder of Alloyed Limited

During the year the University of Oxford provided services to Alloyed Limited totalling £22k (2021 - £72k).

At the balance sheet date, there was no amount owed by Alloyed Limited to the University of Oxford (2021 - £18k).

##### Oxford Sciences Enterprise plc

Shareholder of Alloyed Limited

During the year Oxford Science Innovation plc provided services to Alloyed Limited totalling £53k (2021 - £32k).

On 26 November 2021 Oxford Sciences Enterprise plc converted convertible loan notes totalling £2.5m, plus accrued interest, to shares. Oxford Sciences Enterprise plc was allotted 682,205 £0.001 Preferred shares as a result of this.

At the balance sheet date, a balance of £6k (2021 - £27k) was owed by Alloyed Limited to Oxford Sciences Enterprise plc.

##### JX Nippon Mining & Metal Corporation

Shareholder of Alloyed Limited

During the year Alloyed Limited made sales totalling £1,051k (2021 - £290k) to JX Nippon Mining & Metal Corporation, and made purchases totalling £76k (2021 - £nil).

At the balance sheet date, a balance of £124k (2021 - £107k) was owed to Alloyed Limited by JX Nippon Mining & Metal Corporation, and a balance of £5k (2021 - £nil) was owed by Alloyed Limited to JX Nippon Mining & Metal Corporation.

##### Anglo Platinum Marketing Limited

Shareholder of Alloyed Limited

During the year Alloyed Limited made sales totalling £856k (2021 - £266k) to Anglo Platinum Marketing Limited.

##### UK FF Nominees Ltd

Shareholder of Alloyed Limited

On 26 November 2021 UK FF Nominees Ltd converted convertible loan notes totalling £2.5m, plus accrued interest, to shares. UK FF Nominees Ltd was allotted 682,205 £0.001 Preferred shares as a result of this.

During the year UK FF Nominees Ltd provided services to Alloyed Limited totalling £4k (2021 - nil).

## ALLOYED LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 22 Related party transactions

(Continued)

##### Summary of transactions with subsidiaries

##### Oxmet Technologies Inc.

A wholly owned subsidiary of Alloyed Limited

At the balance sheet date Oxmet Technologies Inc. owed £176k (2021 - £100k) to Alloyed Limited.

##### Betatype Limited

An indirectly wholly owned subsidiary of Alloyed Limited

Alloyed Limited incurred costs on behalf of Betatype Limited totalling £104k (2021 - £355k).

At the balance sheet date, no balance was due from Betatype Limited to Alloyed Limited (2021 - £854k).

#### 23 Parent company

The company is considered by the directors to have no ultimate controlling party.