Company registration number 10687859 (England and Wales)

ALLOYED LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ALLOYED LIMITED

COMPANY INFORMATION

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

ALLOYED LIMITED

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ALLOYED LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Strategic and business review

Alloyed's ambition is to become the business to which the world comes for the design and manufacture of the most advanced metallic components. With this aim, it develops, operates, and applies world-leading digital platforms for the design of better alloys – for use with any form of making metal components - and the design, processing, and fabrication of better alloy components, currently by additive manufacture (AM) but ultimately by a wide range of digital production processes.

It serves industrial, electronics, medical, and consumer markets. In the medical sector, its customers are orthopaedic surgeons seeking to improve patient implants through the use of patient-specific implants; elsewhere, its customers are large corporates motivated by the opportunities the Alloyed technology provides for stronger, lighter, more functionally dense components.

With large corporate customers, Alloyed's engagement normally starts off with non-recurring engineering projects before leading, Alloyed intends, to the serial production of components. To date, most of Alloyed's revenues have derived from the provision of non-recurring engineering services. However, the year to 31 March 2023 saw notable progress towards Alloyed's long-term goals, with a higher and higher proportion of its activity and revenues relating to specific customer components which Alloyed and its customers intend that Alloyed manufacture or infrastructural preparations for that manufacture.

Highlights of the year included:

- An underlying year-on-year revenue increase of 53% to £7.6m (including Turnover and Other Operating Income)
- The establishment and opening of a new application development and production facility in Abingdon, UK and the construction of a satellite production facility in Seattle, USA to serve US aerospace and industrial customers (since opened)
- Rapid expansion of relationships with several of Alloyed's key customer relationships, most notably with one of the world's largest aerospace companies and with a global digital technology leader.
- The introduction and certification of patient-specific implants for lower-arm and hand orthoplasties.
- Award of leadership of a £14m, four-year, project to develop a platform for the digital qualification of aerospace components by the UK Aerospace Technology Institute.

Key metrics

As a customer-driven technology business, Alloyed gauges its success first and foremost by the whether its customers are satisfied with the work Alloyed has conducted for them and whether its technology development programmes meet their stated objectives. It takes particular care to ensure its customer and in-house projects are scoped carefully, have clear objectives, and carry an appropriate level of risk. At the end of projects, it conducts reviews to measure projects against objectives.

Financially, it seeks to grow turnover by 50-100% a year, improve its margin on mature projects by 10% each year, and grow its R&D and central costs at least 50% slower than turnover. Against these objectives, performance in the year to 31 March 2023 was as follows:

- Growth in Turnover to £6.7m (2022: £4.5m): +49% (+53% including Other operating income - Government Grants)
- Gross Profit % increased from 47.2% to 51.9% of Turnover - an increase of 10%
- Administrative Expenses (incl R&D) increased from £12.3m to £17.7m – an increase of 43% reflecting pre-production scale up for US operations and preparatory work on R&D projects, this metric has since fallen back in line with target

Continued investment in capability building and delivery capacity resulting in tangible fixed assets increasing from £4.8m to £8.9m, with average employee numbers increasing by 46% over the year as well as the expansion of the footprint in Oxfordshire and the US are the main drivers of the 81% increase in cash outflow from operating activities (from £4.5m to £8.2m) and 84% increase in both purchase of tangible fixed assets from £1.3m to £2.4m and payment of finance lease obligations from £0.6m to £1.1m. A significant amount of the Group's capital expenditure continues to be funded by finance leases, with obligations under finance lease increasing from £3m to £5.4m during the year.

This investment for growth together with the absence of fund raising in the reported year have resulted in Net Assets falling from £24.7m to £15.2m and cash reducing from £21.0m to £9.2m, a trend we anticipate reversing through financing activity and improving profitability.

Risks

The principal risks to the Company and Group include but are not limited to:

- ***Funding risks:*** Alloyed remains an early-stage company business reliant on venture funding, and this is likely to remain the case until at least 2025. Its investors, however, are large financial and corporate institutions which are have been highly supportive of the business and, subject to the group achieving its growth ambitions, we anticipate their continuing financial support expecting to finance it through to break-even.

- ***Commercial Credit risks:*** Alloyed does not excessively rely on any customer, and its customer list includes is dominated by many of the largest companies in the world in the sectors in which Alloyed operates. As such, , the risk of customer default is correspondingly low. This said, but its its progress to break-even does depend on continued growth of their custom, and this is subject, inter alia, to those customers their own financial positions.

- ***Technology risks:*** Alloyed has a substantial and multi-component technology portfolio which is not subject to any over-riding project risks, and it is highly unlikely that the whole technology portfolio will be rendered obsolete or otherwise uncompetitive by any customer or competitor development. However, its current revenues relate substantially to laser powder bed fusion (a particular form of additive manufacture), and it is possible that "left-field" technologies could emerge which narrow the sectors to which laser powder bed fusion appeals. Further, individual projects do face specific technology risks which mean they may not meet the ambitions of Alloyed or the relevant customers.

- ***Scale-up and manufacturing risks:*** Alloyed will be subject to the practical, organisational, recruitment and logistical risks normally attendant on entry into volume manufacture.

- ***Regulatory and certification risk:***

  - In the medical sector, Alloyed designs and manufactures patient-specific implants under an ISO-13485 certification. Loss of that certification, while unlikely, would materially impact the Group and Company's prospects in the medical sector. Moreover, Alloyed's manufacturing plans in the industrial and electronics sectors will depend on further such certifications, which Alloyed is in the process of securing.

  - A growing minority of Alloyed's business is covered by US or UK export control regulation, and Alloyed will need to be scrupulous in the application of processes to prevent inadvertent contravention of this regulation. Alloyed currently conducts no business in countries which are the strategic adversaries of the countries in which it operates.

Other Financial risks include:

- ***Cash Investment risks:*** Alloyed banks exclusively with HSBC and has opted to invest unused cash reserves in AAA rated money market funds in order to appropriately balance security while optimising investment returns.

- ***Interest rate risk:*** Alloyed currently finances the majority of its Additive manufacturing machine fleet through finance leasing, generally on five year fixed rate terms, mitigating any exposure to short term interest rate fluctuations.

- ***Foreign Exchange rate risk:*** Alloyed's major customers are US based, and invoiced in USD, creating a foreign exchange exposure. We have currently not engaged in hedging activities while the timing of the foreign currency income remains materially variable, this is an area of focus for the year ahead.

ALLOYED LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

Michael Holmes
....

Mr M Holmes
Director

Date: ......25th Aug 2023.............

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

Principal activities

The principal activity of the group 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.

Branches

The group has two subsidiaries, one in Japan and one in the United States.

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

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	
K Nose	
Prof. R Reed	
C Freed	(Resigned 1 August 2022)
K Marukawa	
Z Faizal-Khoo	(Appointed 1 August 2022)

Research and development

SME qualifying Research and Development expenditure of £3,283,436 were incurred during the year (2022 £2,708,319).

Post reporting date events

There were no relevant post reporting date events.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Matters covered in the Strategic Report

The group's business activities, factors likely to affect its future development, performance and position and disclosure of the group's principal and financial risks are set out in the Strategic Report.

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 group'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 group's auditor is aware of that information.

Going concern
In preparing the financial statements, the directors have considered the ability of the Group and Company to continue as a going concern and have assessed the cash flow forecasts to inform their decisions.

As the Group and Company is still investing in its technology platforms and its various growth initiatives, it has recorded a loss in this and previous periods. During this phase, the Group and Company is expected to continue to expend cash in operations.

Cash-flow forecasts have been prepared identifying all contractual cash commitments for the next 12 months post approval of the financial statements and these have been compared to current cash holdings, expected revenue and other cash inflows.

The Group and Company's going concern status is dependent upon the Company raising additional funds, a process that is currently being undertaken. The Company expects to raise a first tranche of £11.5m imminently from a mix of existing and new investors. These funds are expected to be received by the end of August. The Company then anticipates a further investment from new investors by the end of the December 2023. Having assessed the cash flow forecasts and commitments over the next 12 months, the directors are confident that, should they receive the first tranche of funds, the Group and Company can realise their assets and discharge their liabilities over the next twelve months. For this reason the directors consider it appropriate to prepare the financial statements on the going concern basis.

Although the directors expect the Group and Company to be able to raise further funds as described, the funds have yet to be confirmed. Until these funds are received, a material uncertainty exists that may cast significant doubt over the Group and Company's ability to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would be necessary should the going concern basis of preparation not be appropriate.

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

Michael Holmes
....
Mr M Holmes
Director

Date: ......25th August 2023..........

ALLOYED LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 or 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 Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alloyed Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise Consolidated profit and loss account, Consolidated balance sheet, Company balance sheet, Consolidated statement of cash flows, Consolidated statement of changes in equity, Company 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 Group and the Parent 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.

Material uncertainty related to going concern
We draw attention to Note 1.4 to the financial statements, which indicates that the Group and Parent Company's ability to continue as a going concern is dependent on the Parent Company raising further funds which are not yet confirmed. As stated in Note 1.4, these events or conditions, along with other matters as set forth Note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 and Financial Statements, 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.

Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

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 Group and the Parent 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/auditorsresonsibilities. This description forms part of our auditor's report.

ALLOYED LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLOYED LIMITED

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Alex Stansbury

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Alex Stansbury (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom

25 August 2023

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

ALLOYED LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Continuing operations £'000	Discontinued operations £'000	31 March 2023 £'000	Continuing operations £'000	Discontinued operations £'000	31 March 2022 £'000
Turnover	3	6,679	-	6,679	4,492	-	4,492
Cost of sales		(3,214)	-	(3,214)	(2,371)	(20)	(2,391)
Gross profit		3,465	-	3,465	2,121	(20)	2,101
Administrative expenses		(17,669)	(64)	(17,733)	(12,346)	(190)	(12,536)
Other operating income		884	-	884	457	-	457
Operating loss	6	(13,320)	(64)	(13,384)	(9,768)	(210)	(9,978)
Interest receivable and similar income	7	59	-	59	-	-	-
Interest payable and similar expenses	8	(235)	(7)	(242)	(949)	(1)	(950)
Loss before taxation		(13,496)	(71)	(13,567)	(10,717)	(211)	(10,928)
Tax on loss		1,157	-	1,157	903	-	903
Loss for the financial year		(12,339)	(71)	(12,410)	(9,814)	(211)	(10,025)

Loss for the financial year is all attributable to the owners of the parent company.

ALLOYED LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
Loss for the year	(12,410)	(10,025)
Other comprehensive income		
Currency translation loss taken to retained earnings	(4)	-
Currency translation loss arising in the year	(1)	(2)
Other comprehensive income for the year	(5)	(2)
Total comprehensive income for the year	(12,415)	(10,027)

Total comprehensive income for the year is all attributable to the owners of the parent company.

ALLOYED LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Fixed assets					
Goodwill	**11**		-		800
Other intangible assets	**11**		33		31
Total intangible assets			33		831
Tangible assets	**12**		8,866		4,842
			8,899		5,673
Current assets					
Stocks	**15**	647		312	
Debtors	**16**	3,751		2,665	
Cash at bank and in hand		9,221		20,963	
		13,619		23,940	
Creditors: amounts falling due within one year	**17**	(3,225)		(2,584)	
Net current assets			10,394		21,356
Total assets less current liabilities			19,293		27,029
Creditors: amounts falling due after more than one year	**18**		(4,137)		(2,347)
Net assets			15,156		24,682
Capital and reserves					
Called up share capital	**19**		11		11
Share premium account			46,442		46,442
Other reserves			8,115		5,227
Profit and loss reserves			(39,412)		(26,998)
Total equity			15,156		24,682

The financial statements were approved by the board of directors and authorised for issue on .25th Aug 2023.. and are signed on its behalf by:

Michael Holmes
....
Mr M Holmes
Director

Company registration number 10687859 (England and Wales)

ALLOYED LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Fixed assets					
Intangible assets	**11**		34		32
Tangible assets	**12**		7,816		4,789
Investments	**13**		37		37
			7,887		4,858
Current assets					
Stocks	**15**	647		312	
Debtors	**16**	4,629		2,829	
Cash at bank and in hand		9,045		20,861	
		14,321		24,002	
Creditors: amounts falling due within one year	**17**	(3,013)		(2,584)	
Net current assets			11,308		21,418
Total assets less current liabilities			19,195		26,276
Creditors: amounts falling due after more than one year	**18**		(3,656)		(2,347)
Net assets			15,539		23,929
Capital and reserves					
Called up share capital	**19**		11		11
Share premium account			46,442		46,442
Other reserves			4,790		1,901
Profit and loss reserves			(35,704)		(24,425)
Total equity			15,539		23,929

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £11,279,718 (2022 - £8,968,953 loss).

The financial statements were approved by the board of directors and authorised for issue on ..5th Aug 2023..and are signed on its behalf by:

Michael Holmes

Mr M Holmes
Director

Company registration number 10687859 (England and Wales)

ALLOYED LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Currency translation reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2021		6	22,699	2,240	(5)	(16,973)	7,967
Year ended 31 March 2022:							
Loss for the year		-	-	-	-	(10,025)	(10,025)
Other comprehensive loss:							
Currency translation differences		-	-	-	(2)	-	(2)
Total comprehensive loss		-	-	-	(2)	(10,025)	(10,027)
Contributions by and distributions to owners:							
Issue of share capital	**19**	4	16,934	-	-	-	16,938
Conversion of loan to shares	**19**	1	6,809	-	-	-	6,810
Share based payments charge		-	-	2,994	-	-	2,994
Balance at 31 March 2022		11	46,442	5,234	(7)	(26,998)	24,682

ALLOYED LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Currency translation reserve £'000	Profit and loss reserves £'000	Total £'000
Year ended 31 March 2023:							
Loss for the year		-	-	-	-	(12,410)	(12,410)
Other comprehensive loss:							
Currency translation differences		-	-	-	(1)	(4)	(5)
Total comprehensive loss		-	-	-	(1)	(12,414)	(12,415)
Contributions by and distributions to owners:							
Share based payments charge		-	-	2,889	-	-	2,889
Balance at 31 March 2023		11	46,442	8,123	(8)	(39,412)	15,156

ALLOYED LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £'000	Share premium account £'000	Share based payments reserve £'000	Impairment reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 April 2021		6	22,699	2,240	(3,270)	(15,456)	6,219
Year ended 31 March 2022:							
Loss and total comprehensive loss for the year		-	-	-	-	(8,969)	(8,969)
Contributions by and distributions to owners:							
Issue of share capital	**19**	4	16,934	-	-	-	16,938
Conversion of loan to shares	**19**	1	6,809	-	-	-	6,810
Share based payment charge		-	-	2,994	-	-	2,994
Other movements		-	-	-	(63)	-	(63)
Balance at 31 March 2022		11	46,442	5,234	(3,333)	(24,425)	23,929
Year ended 31 March 2023:							
Loss and total comprehensive loss for the year		-	-	-	-	(11,280)	(11,280)
Contributions by and distributions to owners:							
Share based payment charge		-	-	2,889	-	-	2,889
Balance at 31 March 2023		11	46,442	8,123	(3,333)	(35,704)	15,539

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Cash flows from operating activities					
Cash absorbed by operations	**28**		(8,948)		(5,188)
Interest paid			(158)		(62)
Income taxes refunded			880		710
Net cash outflow from operating activities			(8,226)		(4,540)
Investing activities					
Purchase of intangible assets		(25)		-	
Purchase of tangible fixed assets		(2,421)		(1,317)	
Proceeds from disposal of tangible fixed assets		21		93	
Interest received		59		-	
Net cash used in investing activities			(2,366)		(1,224)
Financing activities					
Proceeds from issue of shares		-		16,938	
Payment of finance leases obligations		(1,150)		(624)	
Net cash (used in)/generated from financing activities			(1,150)		16,314
Net (decrease)/increase in cash and cash equivalents			(11,742)		10,550
Cash and cash equivalents at beginning of year			20,963		10,413
Cash and cash equivalents at end of year			9,221		20,963

1 Accounting policies

Company information

Alloyed Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 15 Pioneer Park, Mead Road, Yarnton, Oxfordshire, OX5 1JT.

The group consists of Alloyed Limited and all of its subsidiaries.

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.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the group financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Alloyed Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

1.4 Going concern

In preparing the financial statements, the directors have considered the ability of the Group and Company to continue as a going concern and have assessed the cash flow forecasts to inform their decisions.

As the Group and Company is still investing in its technology platforms and its various growth initiatives, it has recorded a loss in this and previous periods. During this phase, the Group and Company is expected to continue to expend cash in operations.

Cash-flow forecasts have been prepared identifying all contractual cash commitments for the next 12 months post approval of the financial statements and these have been compared to current cash holdings, expected revenue and other cash inflows.

The Group and Company's going concern status is dependent upon the Company raising additional funds, a process that is currently being undertaken. The Company expects to raise a first tranche of £11.5m imminently from a mix of existing and new investors. These funds are expected to be received by the end of August. The Company then anticipates a further investment from new investors by the end of the December 2023. Having assessed the cash flow forecasts and commitments over the next 12 months, the directors are confident that, should they receive the first tranche of funds, the Group and Company can realise their assets and discharge their liabilities over the next twelve months. For this reason the directors consider it appropriate to prepare the financial statements on the going concern basis.

Although the directors expect the Group and Company to be able to raise further funds as described, the funds have yet to be confirmed. Until these funds are received, a material uncertainty exists that may cast significant doubt over the Group and Company's ability to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would be necessary should the going concern basis of preparation not be appropriate.

1.5 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.

Turnover from the sale of goods is recognised on dispatch to the customer.

1.6 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 can be demonstrated.

1 Accounting policies **(Continued)**

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 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

1.9 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:

Leasehold improvements	33% straight line basis
Machinery	33% straight line basis
Leased machinery	20% 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 recognised in the profit and loss account.

1 Accounting policies **(Continued)**

1.10 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 group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

1.12 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.

1.13 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 Accounting policies **(Continued)**

1.14 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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.

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.

1 Accounting policies **(Continued)**

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group 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 group.

1.16 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

1.17 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 Accounting policies **(Continued)**

1.18 Retirement benefits

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

1.19 Share-based payments

The parent 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 2023 1,986,011 (2022 -1,508,011) share options remain to be exercised.

1.20 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.

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 leased asset are consumed.

1.21 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.

1.22 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.

Foreign exchange gains and losses from the translation of the results of subsidiaries denominated in foreign currencies are recognised in other comprehensive income.

2 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

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

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.

Revenue contracts in progress at the year end

In estimating the extent to which turnover is to be recognised at the year end, the Directors make certain assumptions based on expected costs to complete the contracts in progress, Such assumptions have a significant impact on revenue, operating profit and accrued and deferred income.

3 Turnover and other revenue

Turnover comprises of the following sales: Contract development fees £6,237k (2022 - £4,064k), License fees £30k (2022 - £27k), Components £297k (2022 - £329k) and Powder £119k (2022 - £62k).

	2023	2022
	£'000	£'000
Other revenue		
Interest income	59	-
Royalty income	1	-
Grants received	764	386

4 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£'000	£'000
For audit services		
Audit of the financial statements of the group and company	46	30

5 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
	105	72	103	67

Their aggregate remuneration comprised:

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Wages and salaries	8,878	6,904	8,674	6,904
Social security costs	661	432	661	432
Pension costs	528	340	528	340
	10,067	7,676	9,863	7,676

6 Operating loss

	2023 £'000	2022 £'000
Operating loss for the year is stated after charging/(crediting):		
Research and development costs	1,447	920
Government grants	(764)	(386)
Depreciation of owned tangible fixed assets	2,025	937
Profit on disposal of tangible fixed assets	(86)	-
Amortisation of intangible assets	823	1,000
Share-based payments	2,889	2,994
Operating lease charges	709	450

7 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	59	-

	2023 £'000	2022 £'000
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	59	-

8 Interest payable and similar expenses

	2023 £'000	2022 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on convertible loan notes	-	876
Other finance costs:		
Interest on finance leases and hire purchase contracts	158	62
Foreign currency losses	84	12
Total finance costs	242	950

9 Taxation

The corporation tax rate effective during the year is 19% (2022 - 19%).

Tax adjusted losses have been included within appropriate deferred tax calculations as disclosed in note 16. The effective tax rate for deferred tax is 25%.

The parent company has undertaken research and development tax credit claims resulting in an amount payable of £1,224k (2022 - £948k).

10 Discontinued operations

OxMet Technologies Inc.
On 12 September 2022 OxMet Technologies Inc. was dissolved.

Betatype Ltd
On 14 March 2023 Betaype Limited, Betatype Group Limited and Betatype Software Limited were all dissolved at Companies House. The disposal was effected as the trade carried out by Betatype Limited ceased in the year ended 31 March 2022.

The comparative figures have been re-presented to show separately the result of the discontinued operations as included in that period.

11 Intangible fixed assets

Group	Goodwill	Trademarks, patents & licences	Software	Website	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2022	4,996	120	78	20	5,214
Additions	-	-	25	-	25
At 31 March 2023	4,996	120	103	20	5,239
Amortisation and impairment					
At 1 April 2022	4,196	120	67	-	4,383
Amortisation charged for the year	800	-	16	7	823
At 31 March 2023	4,996	120	83	7	5,206
Carrying amount					
At 31 March 2023	-	-	20	13	33
At 31 March 2022	800	-	11	20	831

Company	Trademarks, patents & licences	Software	Website	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	120	78	20	218
Additions	-	25	-	25
At 31 March 2023	120	103	20	243
Amortisation and impairment				
At 1 April 2022	120	66	-	186
Amortisation charged for the year	-	16	7	23
At 31 March 2023	120	82	7	209
Carrying amount				
At 31 March 2023	-	21	13	34
At 31 March 2022	-	12	20	32

12 Tangible fixed assets

Group	Leasehold improvements	Assets under construction	Machinery	Computers and other office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2022	-	39	5,993	397	6,429
Additions	355	308	4,706	1,081	6,450
Disposals	-	-	(525)	(37)	(562)
Transfers	-	(266)	266	-	-
At 31 March 2023	355	81	10,440	1,441	12,317
Depreciation and impairment					
At 1 April 2022	-	-	1,383	204	1,587
Depreciation charged in the year	20	-	1,715	290	2,025
Eliminated in respect of disposals	-	-	(131)	(30)	(161)
At 31 March 2023	20	-	2,967	464	3,451
Carrying amount					
At 31 March 2023	335	81	7,473	977	8,866
At 31 March 2022	-	39	4,610	193	4,842

Company	Assets under construction	Machinery	Computers and other office equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	39	5,938	397	6,374
Additions	259	3,545	1,081	4,885
Disposals	-	(35)	(37)	(72)
Transfers	(266)	266	-	-
At 31 March 2023	32	9,714	1,441	11,187
Depreciation and impairment				
At 1 April 2022	-	1,381	204	1,585
Depreciation charged in the year	-	1,543	290	1,833
Eliminated in respect of disposals	-	(17)	(30)	(47)
At 31 March 2023	-	2,907	464	3,371
Carrying amount				
At 31 March 2023	32	6,807	977	7,816
At 31 March 2022	39	4,557	193	4,789

13 Fixed asset investments

		Group		Company	
		2023	2022	2023	2022
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	14	-	-	37	37

Movements in fixed asset investments
Company

	Shares in subsidiaries £'000
Cost or valuation	
At 1 April 2022 and 31 March 2023	37
Carrying amount	
At 31 March 2023	37
At 31 March 2022	37

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Alloyed KK	Japan	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00
Alloyed Inc.	USA	Development of proprietary alloys, alloy powders and alloy components.	Ordinary shares	100.00

During the year following subsidiary companies were dissolved:

Oxmet Technolgies Inc. - wholly owned direct subsidiary registered in the USA

Betaype Group Limited - wholly owned direct subsidiary registered in the UK

Betatype Limited - wholly owned indirect subsidiary registered in the UK

Betatype Software Limited - wholly owned indirect subsidiary registered in the UK

15 Stocks

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Raw materials and consumables	647	312	647	312

16 Debtors

	Group		Company	
	2023	2022	2023	2022
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	693	329	694	329
Corporation tax recoverable	1,225	948	1,225	948
Amounts owed by group undertakings	-	-	917	176
Other debtors	600	495	600	491
Prepayments and accrued income	1,233	893	1,193	885
	3,751	2,665	4,629	2,829

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 totalling £4,432k (2022 - £2,643k) relating to fixed assets, un-utilised losses and unpaid defined pension contributions . 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.

17 Creditors: amounts falling due within one year

		Group		Company	
		2023	2022	2023	2022
	Notes	£'000	£'000	£'000	£'000
Obligations under finance leases	21	1,291	662	1,163	662
Trade creditors		872	1,095	788	1,095
Other taxation and social security		216	142	216	142
Other creditors		58	54	58	54
Accruals and deferred income		788	631	788	631
		3,225	2,584	3,013	2,584

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2023	2022	2023	2022
	Notes	£'000	£'000	£'000	£'000
Obligations under finance leases	21	4,137	2,347	3,656	2,347

19 Share capital

Group and company Ordinary share capital	2023 Number	2022 Number	2023 £'000	2022 £'000
Issued and fully paid				
Ordinary A shares of 0.01p each	2,792,091	2,792,091	-	-
Ordinary shares of 0.1p each	2,294,825	2,294,825	2	2
Preferred shares of 0.1p each	8,496,992	8,496,992	9	9
	13,583,908	13,583,908	11	11

The company has two classes of ordinary shares (Ordinary and Ordinary A shares). The holders of both classes of ordinary shares are entitled to share equally in dividends as declared against each class of share and other distributions. They are also entitled to full voting rights. All ordinary shares rank equally with regard to the company's residual assets.

The company has a class of preference shares classified as equity (Preferred shares). The holders of these shares are entitled to share equally in dividends, and are entitled to full voting rights. These shares receive priority for payment from other distributions and with regard to the company's residual assets.

During the year the company did not issue any Ordinary or Preferred shares (2022 - 4,751,810 £0.001 Preferred shares issued for consideration of £21,937k).

20 Share-based payment transactions

Group and company	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £'000	2022 £'000
Outstanding at 1 April 2022	1,508,011	1,307,342	0.32	0.31
Granted	478,000	546,996	0.50	0.33
Cancelled	(18,000)	(346,327)	0.32	0.30
Outstanding at 31 March 2023	1,968,011	1,508,011	0.35	0.32
Exercisable at 31 March 2023	1,299,515	804,349	0.36	0.33

The options outstanding at 31 March 2023 had an exercise price ranging from £0.22 to £2.16, and a remaining contractual life of up to 3 years.

20 Share-based payment transactions **(Continued)**

Group and company

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model.

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Expenses recognised in the year				
Arising from equity settled share based payment transactions	2,889	2,994	2,889	2,994

21 Finance lease obligations

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Future minimum lease payments due under finance leases:				
Within one year	1,291	662	1,163	662
In two to five years	4,078	2,347	3,597	2,347
In over five years	59	-	59	-
	5,428	3,009	4,819	3,009

The carrying amounts of the finance leases are £5,428k (2022 - £3,009k), which consists of the total gross payments due of £6,381k - (2022 - £3,617k), less finance charges of £659k and maintenance charges of £344k (2022 - £608k in total).

The total future gross minimum lease payments due not later than one year is £1,693k (2022 - £897k), and the total future gross minimum lease payments due later than one year is £4,832k (2022 - £2,720k).

22 Operating lease commitments

Lessee

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

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Within one year	418	256	357	256
Between two and five years	1,380	919	1,283	919
In over five years	160	389	160	389
	1,958	1,564	1,800	1,564

23 Retirement benefit schemes

Defined contribution schemes	2023 £'000	2022 £'000
Charge to profit or loss in respect of defined contribution schemes	528	340

The parent company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Included in the balance sheet are unpaid pension contributions of £59k (2022: £47k).

24 Financial commitments, guarantees and contingent liabilities

Amounts disclosed in the balance sheet

Pensions

Included in the balance sheet are pensions of £59k (2022 - £47k). The parent company operates a defined contributions pension scheme for the employees. The assets of the scheme are held separately from those of the group 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 £3k (2022 - £6k).

25 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	427	564
Company pension contributions to defined contribution schemes	35	47
	462	611

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2022 - 4).

The number of directors who are entitled to receive shares under long term incentive schemes was 4 (2022 - 4).

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

	2023 £'000	2022 £'000
Remuneration for qualifying services	265	271
Company pension contributions to defined contribution schemes	25	24

26 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:

	2023 £'000	2022 £'000
Aggregate compensation	1,087	1,434

Summary of transactions with key management:

During the year, Alloyed Ltd granted share options totalling £423k (2022 - £2,134k) to directors and shareholders of the company.

No directors, management or shareholders provided independent services to Alloyed Ltd during the year (2022 - £35k).

26 Related party transactions **(Continued)**

Transactions with related parties

University of Oxford
Shareholder of Alloyed Limited

During the year the University of Oxford provided services to Alloyed Limited totalling £2k (2022 - £22k).

Oxford Sciences Enterprise plc
Shareholder of Alloyed Limited

During the year Oxford Science Innovation plc provided services to Alloyed Limited totalling £6k (2022 - £53k).

At the balance sheet date, a balance of £12k (2022 - £6k) 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 £964k (2022 - £1,051k) to JX Nippon Mining & Metal Corporation, and made purchases totalling £66k (2022 - £76k).

At the balance sheet date, a balance of £136k (2022 - £124k) was owed to Alloyed Limited by JX Nippon Mining & Metal Corporation, and a balance of £1k (2022 - £5k) 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 £964k (2022 - £856k) to Anglo Platinum Marketing Limited, and made purchases totalling £24k (2022 - £nil).

UK FF Nominees Ltd
Shareholder of Alloyed Limited

During the year UK FF Nominees Ltd did not provide any services to Alloyed Limited (2022 - £4k).

27 Controlling party

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

28 Cash absorbed by group operations

	2023 £'000	2022 £'000
Loss for the year after tax	(12,410)	(10,025)
Adjustments for:		
Taxation credited	(1,157)	(903)
Finance costs	242	950
Investment income	(59)	-
Gain on disposal of tangible fixed assets	(86)	-
Amortisation and impairment of intangible assets	823	997
Depreciation and impairment of tangible fixed assets	2,025	937
Equity settled share based payment expense	2,889	2,994
Foreign exchange	(84)	(12)
Movements in working capital:		
Increase in stocks	(335)	(66)
Increase in debtors	(808)	(759)
Increase in creditors	12	699
Cash absorbed by operations	(8,948)	(5,188)

29 Analysis of changes in net funds - group

	1 April 2022 £'000	Cash flows £'000	New finance leases £'000	31 March 2023 £'000
Cash at bank and in hand	20,963	(11,742)	-	9,221
Obligations under finance leases	(3,009)	1,150	(3,569)	(5,428)
	17,954	(10,592)	(3,569)	3,793