Report of the Directors and

Financial Statements

for the Year Ended 31 March 2021

for

MagDev Limited

MagDev Limited

Contents of the Financial Statements for the Year Ended 31 March 2021

MagDev Limited

Company Information
for the Year Ended 31 March 2021

DIRECTORS:	Mrs Y P Mills J Tapia J Mody R H Shroff
REGISTERED OFFICE:	Unit 23 Ash Industrial Estate Kembrey Park Swindon SN2 8UN
REGISTERED NUMBER:	00383732 (England and Wales)

MagDev Limited

Report of the Directors
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Mrs Y P Mills
J Tapia
J Mody
R H Shroff

COMMENTARY ON CORONAVIRUS
While the current coronavirus will have a short term impact the company is taking all measures to reduce the risk whilst following government guidelines. Reducing the number of the staff at the facility by encouraging remote working the company has continued to operate safely during this period and thus continuing to meet and support the demands of its customers.

MagDev Ltd Ltd has three main areas of focus during these times,

- The health and wellbeing of all our employees and their families
- Continued support to customers, some of our customers are operating as UK critical services and no matter how deep the crisis will need our support in order to stay operational.
- Optimising costs as a business and part of a larger group. Our proactive approach in reducing overheads will allow the retention of as many employment opportunities as possible.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Yvonna Mills
....
Mrs Y P Mills - Director

Date: 19th May 2021

Report of the Independent Auditors to the Members of MagDev Limited

Opinion
We have audited the financial statements of MagDev Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, Statement of Financial Position, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and financial statements, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of MagDev Limited

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Review of tax compliance with the involvement of our tax specialists in the audit;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of MagDev Limited

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 a Report of the Auditors 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.

D Black

David Black (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 19 May 2021

MagDev Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	4	3,022,781	3,239,375
Cost of sales		2,055,103	2,258,949
GROSS PROFIT		967,678	980,426
Administrative expenses		739,819	826,032
		227,859	154,394
Other operating income		13,632	12,000
OPERATING PROFIT		241,491	166,394
Interest payable and similar expenses	6	19,899	28,212
PROFIT BEFORE TAXATION	7	221,592	138,182
Tax on profit	8	37,763	17,585
PROFIT FOR THE FINANCIAL YEAR		183,829	120,597
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		183,829	120,597

The notes form part of these financial statements

MagDev Limited (Registered number: 00383732)

Statement of Financial Position
31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Owned					
Tangible assets	9		799,627		818,102
Right-of-use					
Tangible assets	9, 15		25,635		46,789
Investments	10		665,508		665,508
			1,490,770		1,530,399
CURRENT ASSETS					
Stocks		669,002		597,982	
Debtors	11	1,151,132		1,127,674	
Cash at bank and in hand		124,209		91,245	
		1,944,343		1,816,901	
CREDITORS					
Amounts falling due within one year	12	744,614		1,126,930	
NET CURRENT ASSETS			1,199,729		689,971
TOTAL ASSETS LESS CURRENT LIABILITIES			2,690,499		2,220,370
CREDITORS					
Amounts falling due after more than one year	13		(350,027)		(63,434)
PROVISIONS FOR LIABILITIES	17		(11,067)		(11,360)
NET ASSETS			2,329,405		2,145,576
CAPITAL AND RESERVES					
Called up share capital	18		765,000		765,000
Capital redemption reserve			3,284,000		3,284,000
Retained earnings	19		(1,719,595)		(1,903,424)
SHAREHOLDERS' FUNDS			2,329,405		2,145,576

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on .....19th May 2021.................. and were signed on its behalf by:

Yvonne Mills
....
Mrs Y P Mills - Director

The notes form part of these financial statements

MagDev Limited

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2019	765,000	(2,024,021)	3,284,000	2,024,979
Changes in equity				
Total comprehensive income	-	120,597	-	120,597
Balance at 31 March 2020	765,000	(1,903,424)	3,284,000	2,145,576
Changes in equity				
Total comprehensive income	-	183,829	-	183,829
Balance at 31 March 2021	765,000	(1,719,595)	3,284,000	2,329,405

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2021

1. STATUTORY INFORMATION

MagDev Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going Concern
The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and borrowings. The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1; and
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

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2. ACCOUNTING POLICIES - continued

Turnover
Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must be met before revenue of goods is recognised:

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Motor vehicles - over period of lease

Land	-	Not depreciated
Freehold property	-	2% per annum straight line
Plant & Machinery	-	between 33% and 10% per annum straight line
Right-of-Use assets Motor	-	over the life of the lease

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised in the income statement.

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2. ACCOUNTING POLICIES - continued

Financial instruments
The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivables and payables, loans from banks and loans from related parties.

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

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

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

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

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

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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2. ACCOUNTING POLICIES - continued

Leases
Leases are recognised as right-of-use assets. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful economic lives of property, plant and equipment

The annual depreciation charge for freehold property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property plant and equipment and note 1 for the useful economic lives for each class of assets.

As indicated in note 1 the estimated useful lives of items of property, plant and equipment range between 3-50 years. However, the actual useful lives might be shorter or longer depending on technological innovations and other factors.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:
• Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
• Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third party financing; and
• Makes adjustments specific to the lease, e.g. term, currency and security.

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4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Magnet components	2,450,764	2,608,775
Assembly	572,017	630,600
	3,022,781	3,239,375

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	2,078,065	2,242,098
Europe	268,740	351,569
Rest of world	675,976	645,708
	3,022,781	3,239,375

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	553,312	581,543
Social security costs	54,380	62,866
Other pension costs	32,815	35,481
	640,507	679,890

The average number of employees during the year was as follows:

	2021	2020
Production	8	9
Sales	9	9
Admin	3	4
	20	22

	2021	2020
	£	£
Directors' remuneration	77,792	81,969

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	14,765	18,389
Loan	4,007	7,669
Leasing	1,127	2,154
	19,899	28,212

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7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2021	2020
	£	£
Cost of inventories recognised as expense	2,055,103	2,258,949
Leases	-	2,209
Depreciation - owned assets	21,693	21,609
Depreciation - assets on finance leases	21,153	20,781
Auditors' remuneration	12,200	11,444
Auditors' remuneration for non audit work	575	6,556
Foreign exchange differences	12,790	(14,920)

8. TAXATION

Analysis of tax expense

	2021	2020
	£	£
Current tax:		
Tax	38,056	12,130
Deferred tax	(293)	5,455
Total tax expense in statement of comprehensive income	37,763	17,585

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before income tax	221,592	138,182
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	42,102	26,255
Effects of:		
Expenses not allowable	1,195	122
Depreciation in excess of capital allowances	(89)	(3,342)
Timing differences	(293)	5,455
Group losses utilised	(5,152)	(10,905)
Tax expense	37,763	17,585

continued...

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2020	833,643	407,944	68,069	1,309,656
Additions	-	3,218	-	3,218
Disposals	-	-	(10,098)	(10,098)
At 31 March 2021	833,643	411,162	57,971	1,302,776
DEPRECIATION				
At 1 April 2020	68,838	354,647	21,280	444,765
Charge for year	7,649	14,044	21,153	42,846
Eliminated on disposal	-	-	(10,097)	(10,097)
At 31 March 2021	76,487	368,691	32,336	477,514
NET BOOK VALUE				
At 31 March 2021	757,156	42,471	25,635	825,262
At 31 March 2020	764,805	53,297	46,789	864,891

Included in cost of land and buildings is freehold land of £364,000 (2020 - £364,000) which is not depreciated.

10. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2020 and 31 March 2021	665,508
NET BOOK VALUE	
At 31 March 2021	665,508
At 31 March 2020	665,508

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Pilamec Limited
Registered office: Unit 23 Ash Industrial Estate, Kembrey Park, Swindon, England, SN2 8UN
Nature of business: Non-Ferros metal production

Class of shares:	% holding
Ordinary	100.00

	2021 £	2020 £
Aggregate capital and reserves	394,023	429,111
Loss for the year	(35,088)	(57,288)

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	752,088	702,530
Amounts owed by group undertakings	368,661	364,185
Other debtors	30,383	60,959
	1,151,132	1,127,674

continued...

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 14)	40,350	379,306
Leases (see note 14)	17,214	20,856
Trade creditors	468,209	531,367
Amounts owed to group undertakings	39,058	75,252
Tax	37,181	12,230
Social security and other taxes	102,787	68,618
Other creditors	3,198	3,255
Accruals and deferred income	36,617	36,046
	744,614	1,126,930

Loans from group undertakings represents a loan payable to the company's subsidiary, Pilamec Limited. Interest is charged at 5% and loan is repayable on a monthly basis until 15 September 2021.

~~The bank loan is secured by a fixed charge on the land & buildings and a floating charges over the~~ cash at bank of the company.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 14)	342,900	-
Leases (see note 14)	7,127	24,375
Amounts owed to group undertakings	-	39,059
	350,027	63,434

14. FINANCIAL LIABILITIES - BORROWINGS

	2021	2020
	£	£
Current:		
Bank loans	40,350	379,306
Leases (see note 15)	17,214	20,856
	57,564	400,162
Non-current:		
Bank loans - 1-2 years	342,900	-
Leases (see note 15)	7,127	24,375
	350,027	24,375

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank loans	40,350	-	114,300	228,600	383,250
Leases	17,214	7,127	-	-	24,341
	57,564	7,127	114,300	228,600	407,591

continued...

15. LEASING

Right-of-use assets

Tangible fixed assets

	2021	2020
	£	£
COST		
At 1 April 2020	68,069	63,871
Additions	-	43,038
Disposals	(10,098)	(38,840)
	57,971	68,069
DEPRECIATION		
At 1 April 2020	21,280	39,339
Charge for year	21,153	20,781
Eliminated on disposal	(10,097)	(38,840)
	32,336	21,280
NET BOOK VALUE	25,635	46,789

The total cash outflow for leases in 2021 was £22,017 (2020: £23,853).

Other leases

	2021	2020
	£	£
Low-value assets leases	-	2,209

Lease liabilities

Minimum lease payments fall due as follows:

	2021	2020
	£	£
Gross obligations repayable:		
Within one year	17,035	20,856
Between one and five years	7,340	24,375
	24,374	45,231

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	383,250	379,306

The bank loan is secured against the company's freehold property.

17. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	11,067	11,360

continued...

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2020	11,360
Movement in year	(293)
Balance at 31 March 2021	11,067

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
762,500	Ordinary	1	762,500	762,500
2,500	Deferred	1	2,500	2,500
			765,000	765,000

The holders of Ordinary shares are entitled to receive dividends as declared from time to time. All Ordinary shares are entitled to one vote per share at meetings of the company. All Ordinary shares rank equally with regard to the company's residual asset and do not confer any rights of redemption.

The holders of deferred charges have no voting or dividend rights attached to them nor do they confer any rights of redemption. All deferred shares rank below the holders of Ordinary shares in the order of payouts in terms of residual asset.

19. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2020	(1,903,424)	3,284,000	1,380,576
Profit for the year	183,829		183,829
At 31 March 2021	(1,719,595)	3,284,000	1,564,405

20. PENSION COMMITMENTS

The company participates in a defined contribution pension scheme for the benefit of directors and employees. The scheme is set up under trust and its assets are therefore independent of those of the company.

The total contributions charged by the company in respect of the year ended 31 March 2021 were £32,815 (2020 - £35,481). Outstanding pension contributions at the balance sheet date totalled £Nil (2020 - £Nil).

21. ULTIMATE CONTROLLING PARTY

The company is controlled by Delta Manufacturing Limited, B-87 Ambad Industrial Area, Ambad, Nashik, Maharashtra, India, 422010, a company registered in India, by virtue of its 100% interest in the whole of the issued share capital of the company.

The smallest and the largest group in which the results of the company are consolidated is that headed by Delta Manufacturing Limited.

MagDev Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
Sales		3,022,781		3,239,375
Cost of sales				
Purchases	1,865,592		2,063,698	
Wages	166,895		172,256	
Social security	12,540		13,197	
Pensions	10,076		9,798	
		2,055,103		2,258,949
GROSS PROFIT		967,678		980,426
Other income				
Management charge	12,000		12,000	
Government grants	1,632		-	
		13,632		12,000
		981,310		992,426
Expenditure				
Rates and water	37,156		33,270	
Insurance	29,030		24,468	
Light and heat	14,501		17,112	
Directors' salaries	77,792		81,969	
Directors' social security	9,553		10,120	
Directors' pension contributions	5,556		5,556	
Wages	308,625		327,318	
Social security	32,287		39,549	
Pensions	17,183		20,127	
Leases	-		2,209	
Other operating leases	-		(298)	
Telephone	15,208		15,981	
Post and stationery	4,146		6,523	
Advertising	22,853		31,467	
Travelling	9,738		39,140	
Motor expenses	8,984		18,187	
Repairs and renewals	9,027		22,177	
Household and cleaning	2,986		3,307	
Computer costs	24,496		25,922	
Sundry expenses	17,047		3,955	
Staff training	9,939		12,137	
Subscriptions	676		(40)	
Legal fees	6,169		5,097	
Auditors' remuneration	12,200		11,444	
Auditors' remuneration for non audit work	575		6,556	
Foreign exchange losses	12,790		(14,920)	
Bad debts	(2,440)		-	
Promotions and exhibitions	3,129		29,185	
		689,206		777,518
		292,104		214,908
Finance costs				
Bank charges	9,724		6,125	
Bank loan interest	14,765		18,389	
Loan	4,007		7,669	
Leasing	1,127		2,154	
		29,623		34,337
Carried forward		262,481		180,571

This page does not form part of the statutory financial statements

MagDev Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
Brought forward		262,481		180,571
Depreciation				
Freehold property	21,692		21,608	
Motor vehicles	19,197		20,781	
		40,889		42,389
NET PROFIT		221,592		138,182

Report of the Director and

Financial Statements

for the Year Ended 31 March 2021

for

Pilamec Limited

Pilamec Limited

Contents of the Financial Statements for the Year Ended 31 March 2021

Pilamec Limited

Company Information
for the Year Ended 31 March 2021

DIRECTOR:	Mrs Y P Mills
REGISTERED OFFICE:	Unit 23 Ash Industrial Estate Kembrey Park Swindon Wiltshire SN2 8UN
REGISTERED NUMBER:	01258472 (England and Wales)

Pilamec Limited

**Report of the Director
for the Year Ended 31 March 2021**

The director presents her report with the financial statements of the company for the year ended 31 March 2021.

DIRECTOR
Mrs Y P Mills held office during the whole of the period from 1 April 2020 to the date of this report.

COMMENTARY ON CORONAVIRUS
While the current coronavirus will have a short term impact the company has taken all measures to reduce the risk whilst following government guidelines. To ensure this the factory was closed for a three week period when an employee developed coronavirus like symptoms to ensure the safety of all staff and customers. Upon re-opening the facility we have reduced the number of staff and by encouraging remote working the company has continued to operate safely during this period and thus continuing to meet and support the demands of its customers.

Pilamec Ltd Ltd has three main areas of focus during these times,

- The health and wellbeing of all our employees and their families
- Continued support to customers, some of our customers are operating as UK critical services and no matter how deep the crisis will need our support in order to stay operational.
- Optimising costs as a business and part of a larger group. Our proactive approach in reducing overheads will allow the retention of as many employment opportunities as possible.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, MHA Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Yvonne Mills
....
Mrs Y P Mills - Director

Date: 19th May 2021

Report of the Independent Auditors to the Members of Pilamec Limited

Opinion

We have audited the financial statements of Pilamec Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Report of the Directors and Financial Statements, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Report of the Independent Auditors to the Members of
Pilamec Limited

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law and company legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the audit engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the Company's legal costs to check for non-compliance with laws and regulations and fraud;
- Review of tax compliance with the involvement of our tax specialists in the audit;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Testing transactions entered into outside of the normal course of the Company's business; and
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

DE Black

David Black (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date: 19 May 2021

Pilamec Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	4	426,819	466,122
Cost of sales		286,178	358,077
GROSS PROFIT		140,641	108,045
Administrative expenses		192,265	162,220
		(51,624)	(54,175)
Other operating income		15,616	-
OPERATING LOSS		(36,008)	(54,175)
Interest receivable and similar income		4,076	7,866
		(31,932)	(46,309)
Interest payable and similar expenses	6	6,659	6,976
LOSS BEFORE TAXATION	7	(38,591)	(53,285)
Tax on loss	8	(3,503)	4,003
LOSS FOR THE FINANCIAL YEAR		(35,088)	(57,288)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(35,088)	(57,288)

The notes form part of these financial statements

Pilamec Limited (Registered number: 01258472)

Balance Sheet
31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Owned					
Tangible assets	9		68,009		78,428
Right-of-use					
Tangible assets	9, 14		109,907		135,744
			177,916		214,172
CURRENT ASSETS					
Stocks		67,464		58,199	
Debtors	10	111,673		262,115	
Cash at bank and in hand		204,226		170,733	
		383,363		491,047	
CREDITORS					
Amounts falling due within one year	11	61,775		141,499	
NET CURRENT ASSETS			321,588		349,548
TOTAL ASSETS LESS CURRENT LIABILITIES			499,504		563,720
CREDITORS					
Amounts falling due after more than one year	12		(93,920)		(119,545)
PROVISIONS FOR LIABILITIES	15		(11,561)		(15,064)
NET ASSETS			394,023		429,111
CAPITAL AND RESERVES					
Called up share capital	16		1,200		1,200
Share premium			10,341		10,341
Retained earnings	17		382,482		417,570
SHAREHOLDERS' FUNDS			394,023		429,111

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on 19th May 2021 and were signed by:

Yvonne Mills

Mrs Y P Mills - Director

The notes form part of these financial statements

Pilamec Limited

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2019	1,200	474,858	10,341	486,399
Changes in equity				
Total comprehensive income	-	(57,288)	-	(57,288)
Balance at 31 March 2020	1,200	417,570	10,341	429,111
Changes in equity				
Total comprehensive income	-	(35,088)	-	(35,088)
Balance at 31 March 2021	1,200	382,482	10,341	394,023

The notes form part of these financial statements

1. STATUTORY INFORMATION

Pilamec Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared under FRS101 and all policies set out below have been consistently applied to all the years presented.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going Concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products.
The company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and borrowings. The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1; and
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

continued...

Pilamec Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Turnover
Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must be met before revenue of goods is recognised:

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold - over period of lease

Improvement to property	-	2.5% straight line
Plant & machinery	-	15% to 25% straight line
Motor Vehicles	-	25% straight line
Fixtures and fittings	-	15% straight line
Office Equipment		
-Short Leasehold	-	33% straight lineOver the life of the lease
Right-of-Use asset	-	Over the life of the lease

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised in the income statement.

continued...

2. ACCOUNTING POLICIES - continued

Financial Instruments
The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivables and payables, loans from banks and loans from related parties.

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

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

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

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

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

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases
Leases are recognised as right-of-use assets. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful economic lives of property, plant and equipment

The annual depreciation charge for freehold property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property plant and equipment and note 1 for the useful economic lives for each class of assets.

As indicated in note 2 the estimated useful lives of items of property, plant and equipment range between 3-50 years. However, the actual useful lives might be shorter or longer depending on technological innovations and other factors.

Lease accounting
The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:
• Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
• Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third party financing; and
• Makes adjustments specific to the lease, e.g. term, currency and security.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Processing	360,104	421,197
Trade	66,715	44,925
	426,819	466,122

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	426,819	466,122
	426,819	466,122

continued...

Pilamec Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	112,128	101,308
Social security costs	11,408	8,921
Other pension costs	5,107	3,216
	128,643	113,445

The average number of employees during the year was as follows:

	2021	2020
Production	2	3
Sales & Admin	3	3
	5	6

	2021	2020
	£	£
Director's remuneration	-	-

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Leasing	6,659	6,976

7. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2021	2020
	£	£
Cost of inventories recognised as expense	286,178	358,077
Leases	2,604	3,215
Depreciation - owned assets	10,649	10,145
Depreciation - assets on finance leases	25,837	22,314
Auditors' remuneration	4,750	5,000
Foreign exchange differences	7,207	633

8. TAXATION

Analysis of tax (income)/expense

	2021	2020
	£	£
Deferred tax	(3,503)	4,003
Total tax (income)/expense in statement of comprehensive income	(3,503)	4,003

continued...

8. TAXATION - continued

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Loss before income tax	(38,591)	(53,285)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(7,332)	(10,124)
Effects of:		
Expenses not allowable	(574)	(1,325)
Depreciation in excess of capital allowances	1,979	(951)
Timing differences	(3,503)	4,003
Losses used	774	1,495
Losses surrendered to group	5,153	10,905
Tax (income)/expense	(3,503)	4,003

9. TANGIBLE FIXED ASSETS

	Short leasehold	Improvements to property	Plant and machinery
	£	£	£
COST			
At 1 April 2020	197,163	25,854	184,849
Additions	-	-	230
At 31 March 2021	197,163	25,854	185,079
DEPRECIATION			
At 1 April 2020	77,257	1,293	133,783
Charge for year	19,706	646	8,692
At 31 March 2021	96,963	1,939	142,475
NET BOOK VALUE			
At 31 March 2021	100,200	23,915	42,604
At 31 March 2020	119,906	24,561	51,066

continued...

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 1 April 2020	11,209	29,413	8,136	456,624
Additions	-	-	-	230
At 31 March 2021	11,209	29,413	8,136	456,854
DEPRECIATION				
At 1 April 2020	10,286	13,575	6,258	242,452
Charge for year	139	6,131	1,172	36,486
At 31 March 2021	10,425	19,706	7,430	278,938
NET BOOK VALUE				
At 31 March 2021	784	9,707	706	177,916
At 31 March 2020	923	15,838	1,878	214,172

10. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	66,692	131,281
Amounts owed by group undertakings	39,058	75,252
Other debtors	5,923	16,524
	111,673	223,057
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	39,058
Aggregate amounts	111,673	262,115

Amounts owed by group undertakings represents a loan receivable from Magdev Limited. Interest is charged at 5% and loan is repayable on a monthly basis until 15 September 2021.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Leases (see note 13)	25,806	24,739
Trade creditors	16,318	85,708
Amounts owed to group undertakings	3,650	3,650
Social security and other taxes	7,979	20,530
Other creditors	885	857
Accruals and deferred income	7,137	6,015
	61,775	141,499

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Leases (see note 13)	93,920	119,545

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

13. FINANCIAL LIABILITIES - BORROWINGS

	2021	2020
	£	£
Current:		
Leases (see note 14)	25,806	24,739
Non-current:		
Leases (see note 14)	93,920	119,545

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Leases	25,806	24,430	69,490	119,726

14. LEASING

Right-of-use assets

Tangible fixed assets

	2021	2020
	£	£
COST		
At 1 April 2020	215,555	197,163
Additions	-	18,392
	215,555	215,555
DEPRECIATION		
At 1 April 2020	79,811	57,497
Charge for year	25,837	22,314
	105,648	79,811
NET BOOK VALUE	109,907	135,744

Other leases

	2021	2020
	£	£
Variable payment leases	2,604	3,215

The total cash outflow for leases in 2021 was £31,214 (2020: £29,141).

continued...

14. LEASING - continued

Lease liabilities

Minimum lease payments fall due as follows:

	2021	2020
	£	£
Gross obligations repayable:		
Within one year	25,806	24,739
Between one and five years	93,920	95,215
In more than five years	-	24,330
	119,726	144,284

15. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	11,561	15,064

	Deferred tax
	£
Balance at 1 April 2020	15,064
Timing differences	(3,503)
Balance at 31 March 2021	11,561

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1,200	Ordinary	1	1,200	1,200

The holders of Ordinary shares are entitled to receive dividends as declared from time to time. All Ordinary shares are entitled to one vote per share at meetings of the company. All Ordinary shares rank equally with regard to the company's residual asset and do not confer any rights of redemption.

17. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2020	417,570	10,341	427,911
Deficit for the year	(35,088)		(35,088)
At 31 March 2021	382,482	10,341	392,823

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £5,107 (2020 - £3,216).

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19. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is MagDev Limited, Unit 23, Ash Industrial Estate, Kembery Park, Swindon, SN2 8UN, a company incorporated in England and Wales.

The company's ultimate controlling party is Delta Manufacturing Limited, B-87 Ambad Industrial Area, Ambad, Nashik, Maharashtra, India, 422010, a company registered in India.

The largest and smallest group in which the results of the company are consolidated is that headed by Delta Manufacturing Limited.

Pilamec Limited

Trading and Profit and Loss Account for the Year Ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Sales		426,819		466,122
Cost of sales				
Purchases	197,595		242,009	
Wages	35,853		49,591	
Social security	2,566		3,080	
Pensions	1,175		1,169	
Carriage and import duty	22,804		25,394	
Maintenance	18,709		25,714	
Light, heat and power	7,476		11,120	
		286,178		358,077
GROSS PROFIT		140,641		108,045
Other income				
Government grants	15,616		-	
Interest receivable	4,076		7,866	
		19,692		7,866
		160,333		115,911
Expenditure				
Rates and water	11,432		11,021	
Insurance	7,991		6,543	
Wages	76,275		51,717	
Social security	8,842		5,841	
Pensions	3,932		2,047	
Leases	2,604		3,215	
Telephone	216		1,356	
Advertising	-		92	
Motor expenses	4,429		6,651	
Travel and subsistence	3,005		9,313	
Repairs and renewals	1,552		3,579	
Computer costs	100		116	
Sundry expenses	6,776		8,061	
Protective clothing	494		224	
Legal fees	3,381		2,041	
Management fees	12,000		12,000	
Auditors' remuneration	4,750		5,000	
Foreign exchange losses	7,207		633	
		154,986		129,450
		5,347		(13,539)
Finance costs				
Bank charges	795		311	
Leasing	6,659		6,976	
		7,454		7,287
Carried forward		(2,107)		(20,826)

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Pilamec Limited

Trading and Profit and Loss Account for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
Brought forward		(2,107)		(20,826)
Depreciation				
Short leasehold	19,706		-	
Improvements to property	646		-	
Plant and machinery	8,691		29,905	
Fixtures and fittings	138		-	
Motor vehicles	6,131		2,554	
Computer equipment	1,172		-	
		36,484		32,459
NET LOSS		(38,591)		(53,285)

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