

Registered number: SC006517

AYRSHIRE METAL PRODUCTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

AYRSHIRE METAL PRODUCTS PLC

COMPANY INFORMATION

Directors	M L Wilson (Chairman) F M Stafford-Charles D K Pickerill (resigned 29 February 2024) J F S Wilson
Company secretary	N Chettle
Registered number	SC006517
Registered office	24 Royal Circus Edinburgh Scotland EH3 6SS
Independent auditor	MHA Century House The Lakes Northampton NN4 7HD

AYRSHIRE METAL PRODUCTS PLC

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AYRSHIRE METAL PRODUCTS PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Business review

Challenges stemming from the global economic downturn and escalating interest rates have notably impacted sales volumes, resulting in a decline in profitability compared to previous years.

The group remains committed to effectively managing costs in response to these challenges.

At the year end the group had net assets of £9.9m (2022 - £10.6m) which includes cash balances of £1.9m (2022 - £3.8m).

The group suffered a loss before taxation of £879K (2022 - £789K profit).

AYRSHIRE METAL PRODUCTS PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties

The directors consider the principal risks and uncertainties to the business to be;

- i) any decline in the economic and market conditions
- ii) an increase in competitive pricing
- iii) reduced margins
- iv) energy prices
- v) inflation increasing the cost of all overheads

To mitigate the impact of market conditions, the Group continually monitors expenditure and seeks the maximum value for money in all areas.

Financial risk management and objectives

The Group plans to finance its operations through retained profits and cash. The Group has various financial instruments such as trade debtors and trade creditors. The main purpose of the cash is to maintain adequate resources for the Group's operations. The Group does not enter into derivative transactions.

The Group does trade in financial instruments. The board reviews and agrees policies for managing each of the following risks:

Interest rate risk

The Group seeks to deposit cash assets safely to minimise risk while maximising the interest received.

The Group is not reliant on interest income nor does it have any borrowings, therefore the overall risk is minimal.

Liquidity risk

The Group seeks to ensure it has sufficient liquidity available to meet foreseeable needs. Cash reserves minimise liquidity risk.

Liquidity is constantly monitored and controlled via budgeting and cashflow forecasting.

Currency risk

The Group is exposed to translation and transaction foreign exchange risks. The Group seeks to manage these risks by limiting exposure to foreign exchange fluctuations.

Cash held in foreign currencies is repatriated to the UK and converted to Sterling at the earliest opportunity to mitigate potential currency risks.

Credit risk

All customers who wish to trade on credit terms are subject to credit vetting procedures, and debtors are monitored on an ongoing basis.

The Group also mitigates credit risk via the use of credit insurance.

Financial key performance indicators

	<u>2023</u>	<u>2022</u>
Return before tax on net assets (excluding exceptionals)	(0.3)%	7.5%
Return before tax on sales (excluding exceptionals)	(0.2)%	3.1%
Operating margin to sales (excluding exceptionals)	(1.1)%	3.7%
EBITDAE	£89k	£948k

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Other key performance indicators

Average CO2 rating of the UK fleet – 50 g/ km (2022 - 64 g/ km).

The Group has set a maximum CO2 rating for its cars with an aim to reduce the Group's environmental impact.

Number of Apprenticeships - 1 (2022 -2)

The Group is actively encouraging the recruitment and training of apprentices, whilst utilising funding from the Government apprenticeship schemes.

Non financial information statement

The directors have had due regard for their duty to promote the success of the Group for the benefit of its members as a whole.

The directors consider the consequences of all investments or projects, ensuring they are fully planned and costed. Taking account of the potential financial returns as well as the wider impacts on the business and the environment.

The directors take into account the interest of employees by keeping them informed and with any decisions made, the impact on the employees of the business is considered.

Business relationships with suppliers, customers and others are key to the success of the Group. Regular contact is maintained to foster mutually beneficial and informed relationships.

The directors are aware of both their own and the Group's duties and responsibilities under the Bribery Act 2010.

The Group's operations strive for the minimum environmental impact and supports local charities within the community.

The directors are committed to the highest quality of products and services, this is achieved by regular quality assurance testing and ensuring that the company is in line with the latest in quality standards and engaging with the relevant accreditation board to ensure we are always on the forefront.

Annual meetings are held which are open to all members of the Group to ensure a fair and transparent process that keeps all members informed equally.

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



.....
M Wilson
Director

Date: 26 March 2024

AYRSHIRE METAL PRODUCTS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Group is the production of cold rolled steel profiles.

Results and dividends

The loss for the year, after taxation, amounted to £786k (2022 - profit £645k).

Dividends declared and paid during the year totalled £390k (2022 - £391k).

Directors

The directors who served during the year were:

M L Wilson (Chairman)
F M Stafford-Charles
D K Pickerill (resigned 29 February 2024)
J F S Wilson

Future developments

The Group aims to continue to develop its strategy to increase its overall market share.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Payment policy

The Group's policy is to agree the terms of payment with suppliers prior to transacting, which are strictly adhered to.

Research and development activities

The Group is committed to research and development in order to secure its position as one of the UK's largest producers of cold formed profiles.

Engagement with employees

The Group's policy is to consult and discuss with employees matters likely to affect employee's interest. Information on all matters of concern to employees is given through information bulletins which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The employment policies operated throughout the Group are designed to ensure consideration to all and, where appropriate, to promote employment of disabled persons, and ensure continuity of employment and training for those persons who may become disabled during their period of employment with the Group. Continued close attention is paid to the health and safety of employees while at work. Consultation with employees is organised according to the particular needs of each location at which the Group operates. It is the policy of the Group that training, development and promotion activities should be obtainable by all employees.

Acquisition of own shares

During the year the Company purchased and subsequently cancelled 25,066 (2022 - 60,900) Ordinary shares with a nominal value of £6k (2022 - £15k) for total consideration of £5k (2022 - £12k).

Matters covered in the Group Strategic Report

Included in the Group Strategic Report is the business review, principal risks and uncertainties and key performance indicators.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet event

There have been no significant events affecting the Group since the year end.

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the Company's independent auditor changed from MHA MacIntyre Hudson to MHA. The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

AYRSHIRE METAL PRODUCTS PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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



.....
M L Wilson
Director

Date: 26 March 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC

Qualified opinion

We have audited the financial statements of Ayrshire Metal Products Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section, 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 December 2023 and of the Group's 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 qualified opinion

As detailed in note 26, these financial statements do not present the assets, liabilities or movements through profit or loss and other comprehensive income relating to the defined benefit pension scheme. This is a departure from the requirements of Section 28 'Employee Benefits' of FRS 102. As disclosed in note 26, the unrecognised pension scheme asset at 31 December 2023 was £109k (2022 - £89k) and the related unrecognised deferred tax liability was £27k (2022 - £22k). No entries have been made in the Group and Parent Company Statements of Financial Position in respect of these balances, nor has any movement been recorded within the Consolidated Statement of Comprehensive Income in relation to movements and charges in the current and corresponding years. Such disclosure is required under FRS 102.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 qualified 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 Group's or the parent 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified due to the exclusion of balances relating to the defined benefit pension scheme. Information relating to the performance of the group, including the key performance indicators, excludes balances and movements related to the scheme and accordingly we have concluded that the other information is materially misstated for the same reason.

Opinion on other matters prescribed by the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the Basis for qualified opinion section of our report, 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 Group Strategic Report or the Directors' Report.

Arising solely from the disagreement in respect of the recording of balances pertaining to the defined benefit pension scheme, referred to above:

- we do not consider that adequate accounting records have been kept by the parent Company.

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:

- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Group 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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditor's Report.

AYRSHIRE METAL PRODUCTS PLC

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AYRSHIRE METAL PRODUCTS PLC
(CONTINUED)**

Use of our report

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



Adam Young ACA (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditor

Northampton, United Kingdom

Date: 27/3/24

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

AYRSHIRE METAL PRODUCTS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Turnover	4	17,929	25,763
Cost of sales		(14,592)	(21,273)
Gross profit		3,337	4,490
Distribution costs		(1,375)	(763)
Administrative expenses		(2,335)	(3,179)
Exceptional administrative expenses	12	(852)	-
Other operating income	5	170	400
Operating (loss)/profit	6	(1,055)	948
Income from fixed assets investments		34	33
Gains/(losses) on investments		121	(192)
Interest receivable and similar income		21	-
(Loss)/profit before taxation		(879)	789
Tax on (loss)/profit	10	93	(144)
(Loss)/profit for the financial year		(786)	645
Unrealised surplus on revaluation of tangible fixed assets		710	65
Deferred taxation on unrealised surplus revaluation of tangible fixed assets		(178)	(16)
Currency translation differences		(5)	5
Other comprehensive income for the year		527	54
Total comprehensive income for the year		(259)	699
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(786)	645
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(259)	699

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 21 to 44 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	5,721	5,065
		<u>5,721</u>	<u>5,065</u>
Current assets			
Stocks	16	1,343	1,866
Debtors: amounts falling due within one year	17	1,429	1,584
Current asset investments	18	1,623	1,818
Cash at bank and in hand	19	1,951	3,789
		<u>6,346</u>	<u>9,057</u>
Creditors: amounts falling due within one year	20	(1,971)	(3,500)
Net current assets		<u>4,375</u>	<u>5,557</u>
Total assets less current liabilities		<u>10,096</u>	<u>10,622</u>
Deferred tax	22	(184)	(56)
		<u>(184)</u>	<u>(56)</u>
Net assets		<u><u>9,912</u></u>	<u><u>10,566</u></u>
Capital and reserves			
Called up share capital	23	2,435	2,442
Revaluation reserve	24	4,947	4,415
Capital redemption reserve	24	65	58
Profit and loss account	24	2,465	3,651
		<u>9,912</u>	<u>10,566</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
M L Wilson
Director

Date: 26 March 2024

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC
REGISTERED NUMBER: SC006517

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	14	14
Investments	14	1,460	1,460
Investment property	15	5,450	-
		<u>6,924</u>	<u>1,474</u>
Current assets			
Debtors: amounts falling due within one year	17	354	5,595
Current asset investments	18	1,623	1,818
Cash at bank and in hand	19	17	356
		<u>1,994</u>	<u>7,769</u>
Creditors: amounts falling due within one year	20	(58)	(45)
Net current assets		<u>1,936</u>	<u>7,724</u>
Total assets less current liabilities		<u>8,860</u>	<u>9,198</u>
Provisions for liabilities			
Deferred taxation	22	(237)	(63)
		<u>(237)</u>	<u>(63)</u>
Net assets		<u>8,623</u>	<u>9,135</u>
Capital and reserves			
Called up share capital	23	2,435	2,442
Capital redemption reserve	24	65	58
Profit and loss account brought forward		6,635	6,796
Loss/(profit) for the year		(117)	242
Purchase of own shares		(5)	(12)
Net dividends payable	11	(390)	(391)
		<u>6,123</u>	<u>6,635</u>
Profit and loss account carried forward	24	<u>8,623</u>	<u>9,135</u>

AYRSHIRE METAL PRODUCTS PLC
REGISTERED NUMBER: SC006517

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
M L Wilson
Director

Date: 26 March 2024

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2023	2,442	58	4,415	3,651	10,566
Comprehensive income for the year					
Loss for the year	-	-	-	(786)	(786)
Currency translation differences	-	-	-	(5)	(5)
Surplus on revaluation of freehold property	-	-	710	-	710
Deferred tax on revaluation	-	-	(178)	-	(178)
Total comprehensive income for the year	-	-	532	(791)	(259)
Net dividends payable	-	-	-	(390)	(390)
Purchase of own shares	(7)	7	-	(5)	(5)
At 31 December 2023	2,435	65	4,947	2,465	9,912

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	2,457	43	4,366	3,404	10,270
Comprehensive income for the year					
Profit for the year	-	-	-	645	645
Currency translation differences	-	-	-	5	5
Surplus on revaluation of freehold property	-	-	65	-	65
Deferred tax on revaluation	-	-	(16)	-	(16)
Total comprehensive income for the year	-	-	49	650	699
Net dividends payable	-	-	-	(391)	(391)
Purchase of own shares	(15)	15	-	(12)	(12)
At 31 December 2022	2,442	58	4,415	3,651	10,566

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2022	2,457	43	6,796	9,296
Comprehensive income for the year				
Profit for the year	-	-	242	242
	-	-	242	242
Total comprehensive income for the year				
Net dividends payable	-	-	(391)	(391)
Purchase of own shares	(15)	15	(12)	(12)
	2,442	58	6,635	9,135
At 1 January 2023	2,442	58	6,635	9,135
Comprehensive income for the year				
Loss for the year	-	-	(117)	(117)
	-	-	(117)	(117)
Total comprehensive income for the year				
Net dividends payable	-	-	(390)	(390)
Purchase of own shares	(7)	7	(5)	(5)
	2,435	65	6,123	8,623
At 31 December 2023	2,435	65	6,123	8,623

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £000	2022 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(786)	645
Adjustments for:		
Depreciation of tangible assets	137	171
Gain on disposal of tangible assets	(12)	(1)
Interest received	(21)	-
Taxation charge	(93)	144
Decrease in stocks	523	168
Decrease/(increase) in debtors	121	(2)
(Decrease)/increase in creditors	(1,514)	587
Corporation tax received/(paid)	56	(102)
Foreign exchange gains and losses	(33)	32
(Gain)/loss on revaluation of current asset investment	(121)	192
Dividends receivable	(34)	(33)
Net cash generated from operating activities	(1,777)	1,801
Cash flows from investing activities		
Purchase of tangible fixed assets	(83)	(82)
Sale of tangible fixed assets	12	10
Interest received	21	-
Dividends received	34	33
Sale of current asset investments	350	-
Net cash from investing activities	334	(39)

AYRSHIRE METAL PRODUCTS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £000	2022 £000
Cash flows from financing activities		
Purchase of ordinary shares	(5)	(12)
Dividends paid	(390)	(391)
Net cash used in financing activities	(395)	(403)
Net (decrease)/increase in cash and cash equivalents	(1,838)	1,359
Cash and cash equivalents at beginning of year	3,789	2,430
Cash and cash equivalents at the end of year	1,951	3,789
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,951	3,789

The notes on pages 21 to 44 form part of these financial statements.

AYRSHIRE METAL PRODUCTS PLC

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	At 1 January 2023 £000	Cash flows £000	At 31 December 2023 £000
Cash at bank and in hand	3,789	(1,838)	1,951
Liquid investments	1,818	(195)	1,623
	<u>5,607</u>	<u>(2,033)</u>	<u>3,574</u>

The notes on pages 21 to 44 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Ayrshire Metal Products Plc is a Limited Liability Company incorporated in Scotland. Its registered office address is 24 Royal Circus, Edinburgh EH3 6SS. The principal activity of the Company is a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The ongoing uncertainty within the global economy has continued to impact sales, whilst putting increased pressure on the cost of the business.

In response to the global uncertainties, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of global uncertainties. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. 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 also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contributions pension scheme for employees, which is independently administered and does not form part of the Group's Balance Sheet.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

Defined benefit pension plan

The Group operates a defined benefit pension scheme. Certain Directors are members of the scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The assets of the scheme are held, administered and invested independently of the Group.

Historically the pension scheme assets were shown in the Statement of Financial Position. From 2015 onwards, pension scheme assets are not reflected within the Statements of Financial Position and entries are not reflected in the Consolidated Statement of Comprehensive Income in respect to related movements and charges. This is not in accordance with disclosure requirements under FRS 102. Disclosures in respect to the relevant scheme are set out in note 26.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 3.5% per annum
Plant and machinery	- 8-50% per annum
Motor vehicles	- 20-25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Revaluation of tangible fixed assets

Individual freehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.16 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.19 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and short-term deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.23 Financial instruments (continued)

are payable or receivable within one year, typically trade debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The principal judgments and estimates considered by the directors in these financial statements are as follows:

Actuarial assumptions in relation to the defined benefit pension scheme - the assumptions are set out in detail in note 26 and the directors have taken advice from an Actuary in the preparation of the scheme valuation and related disclosures.

The rates of depreciation applied to fixed assets are management estimates. The rates applied are based on the experience of the business in the consumption of economic value of different classes of assets and are regularly reconsidered as the business develops.

Other provisions made which could have an impact on the financial statements include a bad debt provision totalling £86k (2022 - £63k). This is based on a set of criteria designed by the Group and applied on a consistent basis.

A stock provision of £65k (2022 - £85k) is based on a set of criteria designed by the Company and applied on a consistent basis.

4. Turnover

The whole of the turnover is attributable to the Group's principal activity.

The geographical analyses are not disclosed as the directors believe this is prejudicial to the interest of the Group.

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Other operating income

	2023 £000	2022 £000
Income from assignment of lease	-	400
Insurance claims receivable	170	-
	170	400

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	137	171
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	4	4
- The audit of the Group's subsidiaries pursuant to legislation	21	20
- Tax compliance services	5	5
- Accounts preparation	3	3
Exchange differences	(19)	(24)
Operating lease rentals - buildings	45	41
Operating lease rentals - plant, machinery and vehicles	127	107
	127	107

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Wages and salaries	3,874	4,958	25	9
Social security costs	433	480	-	-
Cost of defined contribution scheme	107	101	-	-
	4,414	5,539	25	9

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Management	9	8	4	4
Administration and sales	56	60	-	-
Production	31	35	-	-
	96	103	4	4

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Directors' remuneration

	2023	2022
	£000	£000
Directors' emoluments	130	207
Group contributions to defined contribution pension schemes	8	8
	138	215

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £93k (2022 - £170k).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8k (2022 - £8k).

Key Management Personnel

Remuneration in respect of Key Management Personnel for Group totalled £538k (2022 - £722k). Pension contributions in respect of defined contribution schemes totalled £22k (2022 - £14k). Employers' national insurance contributions totalled £53k (2022 - £69k).

9. Income from investments

	2023	2022
	£000	£000
Income from current asset investments	34	33

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation

	2023	2022
	£000	£000
Corporation tax		
Current tax on profits for the year	-	33
Adjustments in respect of previous periods	(24)	-
Foreign tax		
Foreign tax on income for the year	(19)	61
Foreign tax in respect of prior periods	6	-
Total current tax	(37)	94
Deferred tax		
Origination and reversal of timing differences	(4)	(38)
Unutilised losses	(52)	88
Total deferred tax	(56)	50
Taxation on (loss)/profit on ordinary activities	(93)	144

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 25% (2022 - 19%). The differences are explained below:

	2023	2022
	£000	£000
(Loss)/profit on ordinary activities before tax	(879)	789
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	(220)	150
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	30	46
Utilisation of tax losses	-	(103)
Higher rate taxes on overseas earnings	-	82
Adjustments in respect of previous periods	(18)	-
Short-term timing difference leading to an increase (decrease) in taxation	114	31
Fixed asset differences	4	8
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(38)	(70)
Unrelieved tax losses carried forward	35	-
Total tax charge for the year	(93)	144

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2023	2022
	£000	£000
Dividends declared	390	391

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Exceptional items

	2023	2022
	£000	£000
Exceptional items	852	-

During the year the Group incurred costs to repair the roof on its freehold property. The costs for this repair fall within the ordinary activities of the Group but are presented separately due to their size and incidence.

13. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2023	4,754	1,423	6,177
Additions	-	83	83
Disposals	-	(33)	(33)
Revaluations	710	-	710
Exchange adjustments	-	(7)	(7)
At 31 December 2023	5,464	1,466	6,930
Depreciation			
At 1 January 2023	-	1,112	1,112
Charge for the year on owned assets	-	137	137
Disposals	-	(33)	(33)
Exchange adjustments	-	(7)	(7)
At 31 December 2023	-	1,209	1,209
Net book value			
At 31 December 2023	5,464	257	5,721
At 31 December 2022	4,754	311	5,065

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Tangible fixed assets (continued)

Included in the net book value of freehold land and buildings is £2,597k (2022 - £2,921k) of land which is not depreciated.

At the Balance Sheet date, freehold property owned by the Group was revalued following a professional valuation by Underwoods LLP, Certified Chartered Surveyors, on an existing use basis. As a result, no depreciation has been charged. The historic cost of the freehold property was £1,617k. The accumulated depreciation would have been £660k (2022 - £578k) if the property had not been revalued.

Company

	Freehold property £000
Cost or valuation	
At 1 January 2023	14
At 31 December 2023	<u>14</u>
At 31 December 2023	<u>-</u>
Net book value	
At 31 December 2023	<u><u>14</u></u>
At 31 December 2022	<u><u>14</u></u>

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Fixed asset investments**Company**

	Investments in subsidiary companies £000
Cost	
At 1 January 2023	1,460
At 31 December 2023	1,460

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Ayrshire Metal Products (Daventry) Ltd	24 Royal Circus, Edinburgh, Scotland, EH3 6SS	Ordinary	100%
Ayrshire Metal Pension Trust Ltd	24 Royal Circus, Edinburgh, Scotland, EH3 6SS	Ordinary	100%
Ayrframe Ltd	24 Royal Circus, Edinburgh, Scotland, EH3 6SS	Ordinary	100%
Airframe Ltd	Royal Oak Way North, Royal Oak Industrial Estate, Daventry, Northamptonshire, United Kingdom, NN11 8NR	Ordinary	100%
Ayrshire Steel Framing Ltd	Royal Oak Way North, Royal Oak Industrial Estate, Daventry, Northamptonshire, United Kingdom, NN11 8NR	Ordinary	100%
System-Bau-Elemente Vertriebs GmbH	Offenbachstr. 1, 81241 München, Germany	Ordinary	100%
Ayrshire Metals Ltd	Royal Oak Way North, Royal Oak Industrial Estate, Daventry, Northamptonshire, United Kingdom, NN11 8NR	Ordinary	100%

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Investment property

Company

	Freehold investment property £000
Valuation	
Additions at cost	5,450
At 31 December 2023	5,450

At the Balance Sheet date, freehold investment property owned by the Group was revalued following a professional valuation by Underwoods LLP, Certified Chartered Surveyors, on an existing use basis.

16. Stocks

	Group 2023 £000	Group 2022 £000
Raw materials and consumables	914	1,215
Work in progress (goods to be sold)	429	651
	1,343	1,866

17. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade debtors	1,059	1,376	-	-
Amounts owed by group undertakings	-	-	354	5,595
Other debtors	12	35	-	-
Prepayments and accrued income	358	173	-	-
	1,429	1,584	354	5,595

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Debtors (continued)

18. Current asset investments

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Listed investments at market valuation	1,623	1,818	1,623	1,818

19. Cash and cash equivalents

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank and in hand	1,951	3,789	17	356

20. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	1,439	1,968	-	-
Corporation tax	18	33	-	2
Other taxation and social security	185	226	-	-
Accruals and deferred income	329	1,273	58	43
	1,971	3,500	58	45

21. Financial instruments

	Group 2023 £000	Group 2022 £000
Financial assets		
Financial assets measured at fair value through profit or loss	1,623	1,818

Financial assets measured at fair value through profit or loss comprise listed current asset investments.

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Deferred taxation

Group

	2023	2022
	£000	£000
At beginning of year	(56)	4
Credited/(charged) to profit or loss	50	(44)
Charged to other comprehensive income	(178)	(16)
At end of year	(184)	(56)

Company

	2023	2022
	£000	£000
At beginning of year	(63)	(99)
(Charged)/credited to profit or loss	(174)	36
At end of year	(237)	(63)

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Accelerated capital allowances	(7)	(5)	-	-
Tax losses carried forward	99	22	32	22
Property revaluation	(168)	10	(168)	-
Timing differences	(108)	(83)	(101)	(85)
	(184)	(56)	(237)	(63)

23. Share capital

	2023	2022
	£000	£000
Allotted, called up and fully paid		
9,741,771 (2022 - 9,766,837) Ordinary shares of £0.25 each	2,435	2,442

AYRSHIRE METAL PRODUCTS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

24. Reserves

Revaluation reserve

Represents the revaluation gains from revaluation of freehold property.

Capital redemption reserve

Represents the nominal value of shares cancelled on the purchase of own shares in order to maintain the capital base of the Company.

Profit and loss account

Records cumulative effect of all historic profits for the Group and Company.

25. Capital commitments

At 31 December 2023 the Group and Company had capital commitments as follows:

	Group 2023 £000	Group 2022 £000
Contracted for but not provided in these financial statements	304	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26. Pension commitments**A) Group Personal Pension Scheme**

The Group operates a defined contribution pension scheme for employees, which is independently administered and does not form part of the Group's Balance Sheet.

The pension cost charge represents contributions payable by the Group to the fund and amounted to £107k (2022 - £101k). Contributions totalling £29k (2022 - £13k) were payable to the fund at the reporting date.

B) Group Defined Benefit Pension Scheme

The Group operates a defined benefit pension scheme.

Historically the pension scheme assets were shown in the Statement of Financial Position. From 2015 onwards, pension scheme assets are not reflected within the Statements of Financial Position and entries are not reflected in the Consolidated Statement of Comprehensive Income in respect to related movements and charges. This is not in accordance with disclosure requirements under FRS 102. The decision has been taken in order that the Financial Statements of the Group show a true and fair view.

All other disclosures required under FRS 102 are set out below in order to provide sufficient information had a decision been taken to recognise matters relating to the Defined Benefit Pension Scheme in the primary statements of the Group.

Ayrshire Metal Products Plc sponsors the Ayrshire Metal Products Senior Official's Pension Scheme which is a funded defined benefit arrangement.

Over the financial year the employer continued to enjoy a contribution holiday.

Composition of plan assets:

	2023	2022
	£000	£000
Equities	9,452	17,784
Bonds	2,639	2,433
Cash	259	464
Insured Assets	7,183	-
Total plan assets	19,533	20,681

AYRSHIRE METAL PRODUCTS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26. Pension commitments (continued)

Reconciliation of fair value of plan liabilities were as follows:

	2023	2022
	£000	£000
Opening defined benefit obligation	7,193	10,883
Current service cost	3	14
Contributions by scheme participants	336	199
Actuarial gains and (losses)	(48)	(3,596)
Benefits paid	(291)	(307)
Closing defined benefit obligation	7,193	7,193

Reconciliation of fair value of plan assets were as follows:

	2023	2022
	£000	£000
Opening fair value of scheme assets	20,681	25,678
Actual return on scheme assets less interest income	(1,585)	(5,017)
Interest income	974	471
Administrative expenses	(247)	(144)
Benefits paid	(291)	(307)
	19,532	20,681

The Group expects to contribute £NIL to its defined benefit pension scheme in 2024.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023	2022
	%	%
Discount rate	4.5	4.8
Future salary increases	0	0
Future pension increases	4.1	4.1
Revaluation in deferment	0	0
Inflation assumption	3.3	3.4

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26. Pension commitments (continued)

	2023	2022
	£000	£000
Fair value of plan assets	19,532	20,681
Fair value of scheme liabilities	(7,193)	(7,193)
Unrecoverable surplus	(12,230)	(13,399)
Surplus	109	89
Pension asset	109	89
Deferred tax	(27)	(22)
	82	67

27. Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group
	2023	2022
	£000	£000
Not later than 1 year	124	121
Later than 1 year and not later than 5 years	146	198
	270	319

28. Other financial commitments

Guarantees given in respect of performance bonds in the normal course of business amounted to £35k at 31 December 2023 (2022 - £35k).

The Company is party to an unlimited cross guarantee arrangement with certain subsidiary undertakings in respect of Group banking arrangements. At 31 December 2023 the Company had a contingent liability of £Nil (2022 - £Nil) in respect of this guarantee.

29. Related party transactions

During the year the Group made purchases of £44,174 (2022 - £28,033) to a company controlled by a close family member of a director. At year end, the amount due from the Group was £4,328 (2022 - £3,045).

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30. Controlling party

Knapdale (Nominees) Ltd, a company controlled by the Director M L Wilson, controls 5,114,000 of the issued share capital of Ayrshire Metals Products Plc, and is the ultimate controlling party.