20241129073397

Styrelsen för

Welding Alloys Sweden (Holding) AB

Org. Nr. 556756-0817

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2023,
bolagets 15:e verksamhetsår

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Om inget särskilt anges, redovisas alla belopp i kronor.
Uppgifter inom parantes avser föregående år.

Undertecknad firmatecknare i Welding Alloys Sweden (Holding) AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med orginalet, dels att resultaträkingen och balansräkningen fastställts på ordinarie bolagsstämma den 18 mars 2024. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska disponeras.

Vikmanshyttan den 2024-03-18

Dan Norman

20241129073398

FÖRVALTNINGSBERÄTTELSE

Information om verksamheten och framtida utveckling

Bolaget äger och förvaltar aktier och andelar i bolag jämte därmed förenligt verksamhet. Dotterbolaget, AB Dalforsån, org. nr. 556442-1484, har sitt säte i Vikmanshyttan i Hedemora kommun där man bedriver en mekanisk verkstadsindustri.

Resultat och ställning (kkr)

	2023	2022	2021	2020
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	1 377	-2 909	2 243	3 162
Soliditet	34%	33%	41%	37%

Förslag till disposition av årets vinst (kr)

Styrelsen föreslår, att till bolagsstämmans förfogande balanserad vinst utgörande:

- från föregående år balanserad vinst	14 113 146
- årets förlust	1 370 249
	15 483 395

disponeras enligt följande:

- i ny räkning överföres	14 308 395
	14 308 395

Eget kapital

	Aktie-kapital	Fritt eget kapital
Belopp vid årets ingång	100 000	14 113 146
Utdelning		-1 175 000
Årets resultat		1 370 249
	100 000	**14 308 395**

Beträffande bolagets redovisade resultat för räkenskapsåret och ställningen 2023-12-31 hänvisas till efterföljande resultat- och balansräkningar jämte till dessa hörande kommentarer och noter.

EL

20241129073 99

RESULTATRÄKNING (kr)	Not	2023	2022
Rörelsens kostnader			
Övriga externa kostnader		-27 421	-25 915
Rörelseresultat		**-27 421**	**-25 915**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		1 335 000	-
Övriga ränteintäkter och liknande resultatposter		101 050	-
Räntekostnader och liknande resultatposter		-31 906	-2 883 572
Resultat efter finansiella poster		**1 376 723**	**-2 909 487**
Resultat före skatt		**1 376 723**	**-2 909 487**
Årets skattekostnad		-6 474	-
Årets resultat		**1 370 249**	**-2 909 487**

20241129074600

BALANSRÄKNING (kr)

TILLGÅNGAR		2023-12-31	2022-12-31
Finansiella anläggningstillgångar			
Andelar i koncernföretag	1	42 000 000	42 000 000
Summa anläggningstillgångar		**42 000 000**	**42 000 000**
Omsättningstillgångar			
Kortfristiga fordringar			
Övriga fordringar		576 199	572 383
		576 199	572 383
Kassa och bank		186 861	228 474
Summa omsättningstillgångar		**763 060**	**800 857**
SUMMA TILLGÅNGAR		**42 763 060**	**42 800 857**

20241129074O1

BALANSRÄKNING (kr)

EGET KAPITAL OCH SKULDER	2023-12-31	2022-12-31
Bundet eget kapital		
Aktiekapital (1000 aktier med kvotvärde 100 kr)	100 000	100 000
Fritt eget kapital		
Balanserad vinst	12 938 146	17 022 633
Årets resultat	1 370 249	-2 909 487
Summa eget kapital	**14 408 395**	**14 213 146**
Långfristiga skulder		
Skulder koncernföretag	26 438 401	28 260 008
Kortfristiga skulder		
Skulder koncernföretag	1 916 264	327 703
Summa skulder	**28 354 665**	**28 587 711**
SUMMA EGET KAPITAL OCH SKULDER	**42 763 060**	**42 800 857**

20241129074O2

NOTER MED REDOVISNINGS- OCH VÄRDERINGSPRINCIPER

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 (K3). Tidigare tillämpades BFNAR 2016:10 Årsredovisning i mindre aktiebolag. Övergången till K3 genomfördes 2021 men har inte medfört någon förändring av jämförelsesiffror.

Finansiella anläggningstillgångar
Finansiella anläggningstillgångar som är avsedda för långsiktigt innehav redovisas till anskaffningsvärde. Har en finansiell anläggningstillgång på balansdagen ett lägre värde än det bokförda värdet skrivs tillgången ner till detta lägre värde om det kan antas att värdenedgången är bestående.

Koncernredovisning
Koncernredovisning upprättats ej med hänvisning till ÅRL 7 kap 2 §. Koncernredovisning upprättas i koncernmoder Ultra Alloys Holding PTE. LTD., org nr 201634883R, Singapore.

Not 1 Andelar i koncernföretag

Bolaget äger samtliga 5500 st aktier i dotterbolaget AB Dalforsån, 556442-1484, med säte i Hedemora kommun till det bokförda värdet 42 000 000 kr (42 000 000 kr).

20241129074O3

Vikmanshyttan 2024-02-16

Dominic Stekly

Dan Norman

Min revisionsberättelse har avgivits 2024-03-15

Emma Larsson
Auktoriserad revisor

qrev

REVISIONSBERÄTTELSE

20241129074O4

Till bolagsstämman i Welding Alloys Sweden (Holding) AB
Org.nr. 556756-0817

Rapport om årsredovisningen

Uttalanden

Jag har utfört en revision av årsredovisningen för Welding Alloys Sweden (Holding) AB för år 2023.
Enligt min uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Welding Alloys Sweden (Holding) ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.
Jag tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Jag har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Mitt ansvar enligt dessa standarder beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Welding Alloys Sweden (Holding) AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.
Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.
Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Mina mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller mina uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.
En ytterligare beskrivning av mitt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver min revision av årsredovisningen har jag även utfört en revision av styrelsens förvaltning för Welding Alloys Sweden (Holding) AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.
Jag tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Jag har utfört revisionen enligt god revisionssed i Sverige. Mitt ansvar enligt denna beskrivs närmare i avsnittet "Revisorns ansvar". Jag är oberoende i förhållande till Welding Alloys Sweden (Holding) AB enligt god revisorssed i Sverige och har i övrigt fullgjort mitt yrkesetiska ansvar enligt dessa krav.
Jag anser att de revisionsbevis jag har inhämtat är tillräckliga och ändamålsenliga som grund för mina uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.
Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

20241129074O5

Revisorns ansvar
Mitt mål beträffande revisionen av förvaltningen, och därmed mitt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Mitt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed mitt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.
Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av mitt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Falun den 15 mars 2024

Emma Larsson
Auktoriserad revisor

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202410020144I

Ultra Alloys Holdings Pte. Ltd.
(Incorporated in the Republic of Singapore)
Reg. No. 201634883R

Corporate Information

Board of Directors	:	Dominic Charles Stekly Fiona Karen Tosh
Company Secretary	:	Cheng Shi Ting
Registered Office	:	186A Telok Ayer Street Singapore 068632
Independent Auditor	:	Heng Lee Seng LLP 331 North Bridge Road #12-03 Odeon 331 Singapore 188720

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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202410020143

Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Directors' Statement
for the financial year ended 31 December 2023

The directors present their statement together with the audited consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2023 to the members of Ultra Alloys Holdings Pte. Ltd. (the "Company").

1. Opinion of the directors

In the opinion of the directors:

(a) the accompanying consolidated financial statements set out on pages 5 to 71 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended in accordance with the Singapore Companies Act 1967 and Singapore Financial Reporting Standards; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are as follows:

Dominic Charles Stekly
Fiona Karen Tosh

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares and debentures

None of the directors holding office at the end of the financial year had any interest in shares and debentures of the Company and related corporations according to the Register of Directors' Shareholdings.

By virtue of Section 7 of the Singapore Companies Act, Dominic Charles Stekly, is deemed to have an interest in the Company and in all the related corporations of the Company.

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5. Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

6. Independent Auditor

Heng Lee Seng LLP has expressed its willingness to accept re-appointment.

DocuSigned by:
Dominic Charles Stekly
BCD0ED7A1E81435...
Dominic Charles Stekly
Director

Signed by:
Fiona Karen Tosh
D5A7F73CA9ED42F...
Fiona Karen Tosh
Director

Singapore: 26 September 2024

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HLB | HENG LEE SENG LLP

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UEN: T09LL1999D

202410020144S

Independent Auditor's Report
to the members of Ultra Alloys Holdings Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Ultra Alloys Holdings Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), set out on pages 5 to 71 which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion
We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information comprise the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

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UEN: T09LL1999D

202410020l446

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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

DocuSigned by:
1056D2354F07444...

Heng Lee Seng LLP
Public Accountants and
Chartered Accountants
Singapore

26 September 2024

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Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2023

	Note	2023 €	2022 €
Revenue	4	216,829,018	225,934,715
Cost of sales		(161,496,185)	(163,215,54)
Gross profit		55,332,833	62,719,166
Other income	5	2,310,635	8,820,892
Sales and distribution expenses		(12,800,987)	(10,123,056)
Administrative expenses		(36,032,603)	(39,995,357)
Finance costs	6	(2,236,393)	(1,568,031)
Other expenses		(2,279,846)	(888,599)
Share of results of associates after tax	18	369,659	340,512
Share of results of joint ventures after tax	17	182,661	281,156
Profit before tax		4,846,959	19,586,683
Tax expense	8	(2,440,771)	(4,940,652)
Profit for the year		2,406,188	14,646,031
Profit attributable to:			
Owners of the parent		2,398,845	14,566,953
Non-controlling interests		7,343	79,078
		2,406,188	14,646,031
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation of foreign operations		(596,683)	3,222,991
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		(16,802)	99,399
Other comprehensive (loss)/income, net of tax		(613,485)	3,322,390
Total comprehensive income for the year		1,792,703	17,968,421
Total comprehensive income attributable to:			
Owners of the parent		1,900,382	17,895,487
Non-controlling interests		(107,679)	72,934
		1,792,703	17,968,421

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Statements of Financial Position
as at 31 December 2023

	Note	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Current assets					
Cash and cash equivalents	9	24,523,295	28,545,620	333,583	499,804
Trade and other receivables	10	43,560,049	43,706,498	849,962	884,923
Inventories	11	27,477,184	33,063,066	-	-
Income tax recoverable		574,917	625,621	-	-
		96,135,445	105,940,805	1,183,545	1,384,727
Non-current assets					
Property, plant and equipment	12	35,313,441	34,761,513	-	-
Right-of-use assets	13	2,672,427	2,327,682	-	-
Intangible assets	14	242,617	284,655	-	-
Goodwill	15	763,339	-	-	-
Investments in subsidiaries	16	-	-	4,429,570	4,429,480
Investments in joint ventures	17	2,254,227	2,358,667	-	-
Investments in associates	18	3,001,971	2,718,585	1,134,741	1,134,741
Other investments		18,284	4,400	-	-
Trade and other receivables	10	3,842,679	3,269,797	195,483	749,709
Deferred tax assets	19	1,224,902	1,439,170	-	-
		48,333,887	47,164,469	5,759,794	6,313,930
Total assets		145,469,332	153,105,274	6,943,339	7,698,657
Current liabilities					
Trade and other payables	20	28,679,099	31,865,230	194,344	670,070
Contract liabilities	21	2,435,592	3,493,779	-	-
Bank loans and overdrafts	22	10,082,512	13,627,617	-	-
Lease liabilities	23	1,021,251	1,218,155	-	-
Provisions	24	1,517,100	1,652,846	-	-
Retirement benefit obligations	25	809,622	751,638	-	-
Income tax payable		844,015	1,180,241	-	-
		45,389,191	53,789,506	194,344	670,070
Non-current liabilities					
Trade and other payables	20	2,517,148	3,633,160	2,058,307	3,352,742
Contract liabilities	21	41,715	5,045	-	-
Bank loans and overdrafts	22	8,026,984	9,840,195	-	-
Lease liabilities	23	1,684,948	1,065,200	-	-
Provisions	24	741,385	293,752	-	-
Deferred tax liabilities	19	2,518,944	2,604,470	-	-
		15,531,124	17,441,822	2,058,307	3,352,742
Total liabilities		60,920,315	71,231,328	2,252,651	4,022,812
Net assets		83,549,017	81,873,946	4,690,688	3,675,845

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Statements of Financial Position
as at 31 December 2023 (continued)

	Note	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Equity					
Capital and reserves attributable to owners of the parent					
Share capital	26	917,998	917,998	917,998	917,998
Currency translation reserves		(1,403,992)	(920,294)	-	-
Reserves	27	4,174,667	2,095,790	-	-
Retained earnings		80,443,669	79,043,987	3,772,690	2,757,847
Equity attributable to owners of the parent		84,132,342	81,137,481	4,690,688	3,675,845
Non-controlling interests	16	416,675	736,465	-	-
Total equity		84,549,017	81,873,946	4,690,688	3,675,845

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2023

	Note	Share capital €	Currency translation reserve €	Reserves €	Retained earnings €	Equity attributable to owners of the parent €	Non-controlling interests €	Total equity €
Group								
2023								
At 1 January		917,998	(920,294)	2,095,790	79,043,987	81,137,481	736,465	81,873,946
Profit for the year		-	-	-	2,398,845	2,398,845	7,343	2,406,188
Other comprehensive income:								
- Currency translation difference arising from consolidation of foreign operations		-	(481,661)	-	-	(481,661)	(115,022)	(596,683)
- Others		-	-	-	(16,802)	(16,802)	-	(16,802)
Total comprehensive income for the year		-	(481,661)	-	2,382,043	1,900,382	(107,679)	1,792,703
Dividends		-	-	-	-	-	(168,756)	(168,756)
Reclassification		-	-	486,393	(486,393)	-	-	-
Others	27	-	(2,037)	1,592,484	(495,968)	1,094,479	(43,355)	1,051,124
At 31 December		917,998	(1,403,992)	4,174,667	79,443,669	83,312,342	416,675	83,549,017

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2023 (continued)

	Share capital €	Currency translation reserve €	Reserves €	Retained earnings €	Equity attributable to owners of the parent €	Non-controlling interests €	Total equity €
Group							
2022							
At 1 January	917,998	(4,335,057)	2,682,799	65,180,559	64,446,299	1,000,901	65,447,200
Profit for the year	-	-	-	14,566,953	14,566,953	79,078	14,646,031
Other comprehensive income:							
- Currency translation difference arising from consolidation of foreign operations	-	3,229,135	-	-	3,229,135	(6,144)	3,222,991
- Remeasurement of defined benefit obligation	-	-	-	99,399	99,399	-	99,399
Total comprehensive income for the year	-	3,229,135	-	14,666,352	17,895,487	72,934	17,968,421
Dividends	-	-	-	-	-	(337,370)	(337,370)
Reclassification	-	-	(547,847)	(1,138,104)	(1,685,951)	-	(1,685,951)
Others	-	185,628	(39,162)	-	146,466	-	146,466
Deemed distribution, representing transaction with owners, recognised directly in equity	-	-	-	335,180	335,180	-	335,180
At 31 December	917,998	(920,294)	2,095,790	79,043,987	81,137,481	736,465	81,873,946

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2023

	Notes	2023 €	2022 €
Operating activities			
Profit before tax		4,846,959	19,586,683
Adjustments for:			
Share of results of associates	18	(369,659)	(340,512)
Share of results of joint ventures	17	(182,661)	(281,156)
Amortisation of intangible assets	7 & 14	169,512	155,022
Bad debts written off	7	1,149,492	376,398
Depreciation of property, plant and equipment	7 & 12	4,110,657	4,569,018
Depreciation of right of use assets	7 & 13	1,027,171	951,940
Gain on disposal of property, plant and equipment	5	(24,684)	(5,786,032)
Gain on struck off of subsidiaries	5	-	(580,533)
Property, plant and equipment written off	7 & 12	64,620	-
Interest income	5	(315,709)	(45,445)
Finance costs	6	2,236,393	1,568,031
Allowance for impairment loss on trade receivables	7 &10	729,572	409,999
Write back of allowance for impairment loss on trade receivables	7 & 10	(386,838)	(47,503)
Allowance for inventories written down	11	416,976	55,019
Translation differences		(2,109,704)	(1,348,054)
Operating cash flows before changes in working capital		11,362,097	19,242,875
Changes in working capital net of effects from acquisition and disposal of subsidiaries:			
(Increase)/decrease in:			
- inventories		5,684,044	(4,872,188)
- trade and other receivables		1,215,097	(6,978,360)
(Decrease)/increase in:			
- trade and other payables		(4,948,852)	220,332
- contract liabilities		(1,021,517)	2,013,284
- provisions and other liabilities		369,871	(392,186)
Cash flows generated from operations		12,660,740	9,233,757
Tax (refund)/paid		(156,780)	998,681
Interest paid		(2,236,393)	(1,568,031)
Net cash flows generated from operating activities		10,267,567	8,664,407

The annexed notes form an integral part of these financial statements.

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Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2023 (continued)

	Note	2023 €	2022 €
Investing activities			
Interest received		315,709	45,445
Acquisition of a subsidiary, net of cash acquired	9	(2,627,312)	-
Proceeds from other investment		-	332,576
Proceeds from disposal of intangible assets		34,611	28,727
Proceeds from disposal of property, plant and equipment		86,750	10,053,202
Purchase of other investment		(13,884)	(373,283)
Purchase of property, plant and equipment	12	(5,135,682)	(8,244,200)
Purchase of intangible assets	14	(166,158)	(52,742)
Net cash flows (used in)/generated from investing activities		(7,505,966)	1,789,725
Financing activities			
Acquisition of non-controlling interest in a subsidiary		(151,055)	72,934
Repayment of bank borrowings	22	(6,441,849)	3,255,775
Withdrawal of fixed deposits		41,865	851,033
Repayment of lease liabilities	22	(1,105,799)	(1,190,983)
Dividend paid to non-controlling interests		(168,756)	(337,370)
Net cash flows (used in)/generated from financing activities		(7,825,594)	2,651,389
Cash and cash equivalents			
Net (decrease)/increase		(5,063,993)	13,105,521
At 1 January		25,541,171	12,435,650
At 31 December	9	20,477,178	25,541,171

The annexed notes form an integral part of these financial statements.

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Notes to the Financial Statements
for the financial year ended 31 December 2023

These notes form an integral part of the accompanying financial statements.

1. Domicile and activities

Ultra Alloys Holdings Pte. Ltd., Registration No. 201634883R (the "Company") which is a limited liability company, is incorporated and domiciled in the Republic of Singapore. The address of its registered office is 186A Telok Ayer Street Singapore 068632.

The financial statements of the Group as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

The principal activities of the Company during the financial year are that of investment holding. The principal activities of the subsidiaries during the financial year are stated in Note 16.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (FRSs).

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The individual financial statements of each Group entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the balance sheet of the Company are presented in Euro (€) which is the functional currency of the Company and the presentation currency for the Group.

2.4 Use of estimates and judgements

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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2. Basis of preparation (continued)

2.4 Use of estimates and judgements (continued)
Critical judgements in applying the Group's accounting policies
Key sources of estimation uncertainty
Income taxes

The Group has exposure to income taxes in countries where it operates. Significant judgement is involved in determining the Group's provision for income taxes. The Group recognised assets and liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made. At 31 December 2023, the carrying amounts of the Group's income tax recoverable, income tax payable, deferred tax asset and liability are disclosed in the statements of financial position.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Inventory valuation
At reporting date, the Group evaluates the need for a stock provision. The Group has a policy of providing provision for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value.

Impairment of non-financial assets, excluding goodwill
The Group reviews the carrying amounts of the non-financial assets as at the end of each accounting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

Depreciation of property, plant and equipment
The Group depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect management's estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Group's property, plant and equipment as at the end of each reporting period are disclosed in Note 12 to the financial statements.

Retirement benefit obligations
Staff employed by the Group under the local terms is entitled to the retirement benefit obligations. The Group actuarial assumptions are made in valuing future retirement benefit obligations as set out in Note 25 and are updated periodically. The principal assumptions relate to the rate of inflation and the discount rate. The assumed rate of inflation affects the rate at which salaries grow and therefore the size of the pensions that employees receive on retirement. The carrying amounts of provision for retirement befit obligations are disclosed in Note 25 to the financial statements.

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2. Basis of preparation (continued)

2.5 Adoption of new or revised standards and interpretations

On 1 January 2023, the Group adopted the new or amended FRS and interpretations of FRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

- FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies
- FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors:* Definition of Accounting Estimates
- FRS 12 *Income Taxes:* Deferred tax related to Assets and Liabilities arising from a Single Transaction
- FRS 117 *Insurance contracts*

Except for the Amendments to FRS 1 and FRS Practice Statement 2 *(Disclosure of Accounting Policies),* the adoption of these new or revised standards did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

FRS 1 *Presentation of Financial Statements and* FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to FRS 1 and FRS Practice Statement 2: Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments on FRS Practice Statement 2: Disclosure of Accounting Policies had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition of presentation of any items in the Group's financial statements.

2.6 New or revised standards and interpretations issued but not yet effective

The following are the new or amended standards and interpretations that are not yet applicable, but may be early adopted for the current financial year.

The following standards that have been issued but not yet effective are as follows:

	Effective for annual periods beginning on or after
Amendments to:	
• FRS 1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current	1 January 2024
• FRS 1 *Presentation of Financial Statements:* Non-current liabilities with covenants	1 January 2024
• FRS 7 *Statement of Cash flows and* FRS 107 *Financial Instruments: Disclosures:* Supplier Finance Arrangements	1 January 2024

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2. Basis of preparation (continued)

2.6 New or revised standards and interpretations issued but not yet effective (continued)

	Effective for annual periods beginning on or after
Amendments to: (continued)	
• FRS 116 *Leases:* Lease Liability in a Sale and Leaseback	1 January 2024
• FRS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025
• FRS 110 *Consolidated Financial Statements* and FRS 28 *Investment in Associates and Joint Ventures:* Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The new or amended accounting Standards and Interpretations listed above are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities. Certain comparative amounts have been reclassified to conform with the current year's presentation.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assessed whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquire; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire,

Over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting period and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRS.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests (NCI) in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as financial asset at fair value through other comprehensive income depending on the level of influence retained.

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3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

(iv) Associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more but not more than 50% of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Group's statement of financial position at cost less accumulated impairment losses. On disposal of investments in subsidiaries, associates and joint ventures the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

3.2 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Group entities and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

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3. Material accounting policy information (continued)

3.3 Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the Group presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

3.4 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

(i) Sale of goods

The Group sells welding consumables to commercial and industrial customers. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(ii) Service income

Revenue from service income is recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion determined as the proportion of the total cost of providing the servicing for the product sold that has lapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under FRS 115. The transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight line basis over the period of service.

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3. Material accounting policy information (continued)

3.4 Revenue recognition (continued)

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.5 Government grants

Government grants are recognised initially at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.6 Finance costs

Finance costs comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.7 Employee benefits

(i) Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus of profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised

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3. Material accounting policy information (continued)

3.7 Employee benefits (continued)

(iii) Retirement benefit costs (continued)

in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item "Pension service cost". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.8 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use assets and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

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3. Material accounting policy information (continued)

3.8 Leases (continued)

When the Group is the lessee:

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

• Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

3.9 Tax

Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

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3. Material accounting policy information (continued)

3.9 Tax (continued)

Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Sales tax/Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of sales tax/GST except:

- Where the sales tax/GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax/GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax/GST included.

3.10 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets include unbilled receivables or progress payment to be billed and retention receivable.

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3. Material accounting policy information (continued)

3.10 Contract balances (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities include deferred revenue, unearned revenue, advances or refund liabilities.

3.11 Financial instruments

Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

i. Amortised cost;
ii. Fair value through other comprehensive income (FVOCI); and
iii. Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

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3. Material accounting policy information (continued)

3.11 Financial instruments (continued)

Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Debt instruments (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other income and expenses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other income and expenses".

(ii) Equity investment

The Group subsequently measures all its equity investment at their fair values. Equity investment are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other income and expenses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investment classified as FVOCI are presented as "fair value gains/losses" in OCI. Dividends from equity investment are recognised in profit or loss as "dividend income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in OCI relating to that asset is reclassified to profit or loss.

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3. Material accounting policy information (continued)

3.11 Financial instruments (continued)

Financial assets (continued)

(c) Recognition and derecognition (continued)

On disposal of an equity investment, the difference between the carrying amount and sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in OCI. If there was an election made, any difference between the carrying amount and sale proceeds amount would be recognised in OCI and transferred to retained profits along with the amount previously recognised in OCI relating to that asset.

Financial liabilities

Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Group does not have financial liabilities at fair value through profit or loss. Other financial liabilities include:

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Borrowings

Loans, overdrafts and lease liability are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of each reporting period, in which case they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.12 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

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3. Material accounting policy information (continued)

3.13 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, bank balances, demand deposits and other short term highly liquid investment which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits. In the statement of financial position, bank overdrafts are presented within borrowings under current liabilities.

3.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out and weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

3.15 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 15 on business combination and goodwill.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses which cannot be reversed. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Intangible assets are amortised over a period of 1 to 7 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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3. Material accounting policy information (continued)

3.16 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Dismantlement, removal and restoration costs are included as part of the cost if the obligation for dismantlement, removal and restoration is incurred as a consequence of acquiring the property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day services of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• land and building	10 to 50 years
• plant and machinery	1 to 15 years
• motor vehicles	3 to 8 years
• computers	3 to 5 years
• furniture and fittings	3 to 10 years
• office equipment	3 to 15 years
• assets under construction	25 years
• right-of-use assets	remaining period of lease

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. Fully depreciated assets still in use are retained in the books until disposed of.

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3. Material accounting policy information (continued)

3.16 Property, plant and equipment (continued)

(iv) Derecognition

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

3.17 Impairment of non-financial assets

Property, plant and equipment, investment in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.18 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recognised in the financial year in which they are declared payable. Final dividends are recognised in the financial year in which they are approved by the shareholders.

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3. Material accounting policy information (continued)

3.19 ***Provisions***

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.20 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:
   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position.

4. Revenue

Revenue of the Group is analysed as follows:

	Group	
	2023	**2022**
	€	€
Segment revenue		
Sales of goods	197,668,065	215,324,669
Service income	19,160,953	10,610,046
	216,829,018	225,934,715

Disaggregation of revenue from contracts with customers:

	Group	
	2023	**2022**
	€	€
Timing of revenue recognition		
At a point in time:		
Sales of goods	197,668,065	215,324,669
Over time:		
Service income	19,160,953	10,610,046
	216,829,018	225,934,715

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5. Other income

	Group	
	2023	**2022**
	€	€
Gain on disposal of property, plant and equipment	24,684	5,786,032
Government grant	43,973	50,742
Interest income	315,709	45,445
Insurance compensation received	183,742	263,686
Gain on struck off of subsidiaries	-	580,533
Group fee recovered	99,978	598,089
Others	1,642,549	1,496,365
	2,310,635	8,820,892

6. Finance costs

	Group	
	2023	**2022**
	€	€
Interest expenses on borrowings	22,005	333,665
Interest on lease liabilities	68,888	42,749
Other finance costs*	2,146,176	1,191,882
Interest on pension	(676)	(265)
	2,236,393	1,568,031

*This is mainly arising from the loss on the net position of the subsidiary with a hyperinflationary economy in Argentina.

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group	
		2023	**2022**
		€	€
Amortisation of intangible assets	14	169,512	155,022
Bad debts written off		1,149,492	376,398
Depreciation of property, plant and equipment	12	4,110,657	4,569,018
Depreciation of right of use assets	13	1,027,171	951,940
Employee benefits expenses:			
- Staff payroll, allowance and incentives		17,849,687	18,518,115
Allowance for impairment loss on trade receivables	10	729,572	409,999
Allowance for inventories written off	11	416,976	55,019
Loss on foreign exchange		923,384	1,004,927
Property, plant and equipment written off	12	64,620	-
Write back of allowance for impairment loss on trade receivables	10	(386,838)	(47,503)

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8. Tax expense

	Group	
	2023	**2022**
	€	€
Based on results for the financial year:		
Current taxation	2,302,549	4,511,509
(Over)/under provision in respect of previous financial years		
Current taxation	(7,219)	(131,529)
Temporary differences	96,661	564,498
Withholding tax	48,780	(3,826)
	2,440,771	4,940,652

Reconciliation of statutory tax charge to the Group's effective tax charge is as follows:

Profit before tax	4,846,959	19,586,683
Tax calculated at the statutory tax rate 17% (2022: 17%)	823,984	3,329,736
Tax effect of non-deductible items	1,618,757	2,436,235
Tax effect of income not subject to tax	18,821	2,014
Utilisation of previously unrecognised tax losses	-	(75,612)
Deferred tax not recognised	369,035	7,808
Tax rebate	(322,064)	(436,130)
Effect of different tax rates of foreign operations	745,857	692,300
Effect on changes in tax laws on deferred tax balances	-	(35,459)
Over provision for prior year's income tax	(10,035)	(75,591)
Foreign tax	50,762	21,615
Withholding tax	23,440	25,608
Total effect of tax exemptions	(877,786)	(951,872)
Effective tax charge for current financial year	2,440,771	4,940,652

As at the reporting date, the Group has the following unabsorbed tax losses available for offset against future taxable profits subject to compliance with the relevant sections of the income tax legislations and to agreement with the tax authorities:

	Group	
	2023	**2022**
	€	€
Unabsorbed tax losses	2,625,917	630,756

Future tax benefits arising from unabsorbed tax losses have not been recognised as deferred tax assets in the financial statements as there is no reasonable certainty of their recovery in future periods.

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9. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Cash at bank	22,738,687	26,781,689	333,581	499,802
Cash on hand	422,915	360,373	2	2
Fixed deposits	1,361,693	1,403,558	-	-
Cash and bank balances	24,523,295	28,545,620	333,583	499,804
Bank overdrafts (Note 22)	(2,684,424)	(1,600,891)	-	-
Deposits pledged	(1,361,693)	(1,403,558)	-	-
As disclosed in statement of cash flows	20,477,178	25,541,171	333,583	499,804

(a) Short term deposits bear an interest rate ranging from 2.3% to 5.5% (2022: 0.3% to 5.35%) per annum and for a tenure of approximately 12 months (2022: 3 to 12 months).

(b) The Group's and the Company's exposures to credit and foreign currency risks are disclosed in Note 31.

(c) The fixed deposits are pledged for the banking facilities granted by the banks to the Group (Note 22).

Acquisition of a subsidiary
On 21 April 2023, the Company acquired 100% interest of the issued share capital of Premier Technical Limited for a cash consideration of £2,415,699 (€2,799,186).

The aggregate cash outflow arising from the acquisition of subsidiary of the Group were:

	Note	Group *Acquisition* €
Identifiable assets and liabilities		
Cash and cash equivalents		171,874
Trade and other receivables		1,984,264
Right-of-use asset	13	66,815
Inventories		515,138
Property, plant and equipment	12	13,922
Total assets		2,752,013
Trade and other payables		646,710
Lease liabilities	22	69,456
Total liabilities		716,166
Net identifiable assets		2,035,847
Cash consideration paid		(2,799,186)
Goodwill arising from acquisition of a subsidiary	15	763,339
Total purchase consideration		2,799,186
Less: Cash and cash equivalents in subsidiary acquired		(171,874)
Net cash outflow on acquisition		2,627,312

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10. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Due from unrelated parties	38,495,821	40,035,383	-	-
Due from related parties	663,231	657,076	-	-
	39,159,052	40,692,459	-	-
Less: Allowance for impairment losses	(1,112,174)	(901,822)	-	-
	38,046,878	39,790,637	-	-
Other assets	948,983	845,367	-	-
Accrued revenue	9,936	177,791	-	-
Advances to:			-	-
- unrelated parties	57,868	-	-	-
- suppliers	320,295	661,808	-	-
- related parties	104,483	166,820	24,484	-
- staff	57,239	53,552	-	-
Loan to:			-	
- staff	14,929	18,791	-	-
Value added taxes and others	6,310,303	4,039,044	-	-
Prepayments	1,472,359	929,742	-	-
Deposits	59,455	292,743	-	-
Other debtors:				
- subsidiaries	-	-	1,020,961	1,634,632
	47,402,728	46,976,295	1,045,445	1,634,632
Current	43,560,049	43,706,498	849,962	884,923
Non-current	3,842,679	3,269,797	195,483	749,709
	47,402,728	46,976,295	1,045,445	1,634,632

The average credit period for trade receivables is approximately 30 to 90 days (2022: 30 to 90 days). No interest is charged on the trade receivables for the first 60 days from the date of the invoice. Allowance for impairment loss for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised an impairment loss of 100% against all receivables which are credit-impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

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10. Trade and other receivables (continued)

The movements in credit loss allowance are as follows:

	Note	Group 2023	2022
		€	€
Movement of allowance for impairment loss:			
At 1 January		(901,822)	(546,495)
Increase in allowance recognised in profit or loss	7	(729,572)	(409,999)
Amounts written off		132,382	7,169
Amounts recovered	7	386,838	47,503
At 31 December		(1,112,174)	(901,822)

(a) Due from related parties – refer to significant related party transactions (Note 30).

(b) The Group's and the Company's exposures to credit and foreign currency risks are disclosed in Note 31.

11. Inventories

	Group 2023	2022
	€	€
Raw materials	25,514,981	25,104,457
Work-in-progress	4,990,125	5,496,898
Packaging material	200,241	202,624
Goods in transit	1,044,330	3,795,618
Production supplies	-	(123,530)
Finished goods	-	2,442,516
	31,749,677	36,918,583
Less: Allowance for inventories written down	(4,272,493)	(3,855,517)
	27,477,184	33,063,066
The cost of inventories recognised as an expense amounting to	163,878,520	163,215,549
Allowance for inventories written down amounting to	416,976	55,019

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Notes to the Financial Statements (continued)

12. Property, plant and equipment

	Note	Land and building €	Plant and machinery €	Motor vehicles €	Computers €	Furniture and fittings €	Office equipment €	Assets under construction €	Others €	Total €
Group										
2023										
At 1 January		37,408,800	57,216,109	2,452,091	1,067,897	2,565,110	1,042,228	-	438,475	102,190,710
Acquisition of a subsidiary	9	-	13,487	-	-	-	435	-	-	13,922
Additions		1,398,065	2,454,036	82,335	106,258	183,815	339,294	114,718	457,161	5,135,682
Written-off		36,789	(120,521)	(25,387)	(33,890)	(24,883)	(26,949)	-	(36,789)	(231,630)
Disposals		(823)	(334,515)	(2,695)	(234)	(56,501)	(695)	(114,135)	(10,392)	(519,990)
Revaluation		(41,033)	(29,553)	(1,754)	(1,454)	(1,416)	(33)	-	-	(75,243)
Reclassification		13,872	104,622	14	837	(12)	-	-	(403,493)	(284,160)
Inflation adjustment		644,042	1,355,174	-	-	72,651	-	-	1,716	2,073,583
Currency realignment		(976,617)	(1,374,359)	(86,315)	(35,377)	(103,432)	(17,399)		(5,454)	(2,598,953)
At 31 December		38,483,095	59,284,480	2,418,289	1,104,037	2,635,332	1,336,881	583	441,224	105,703,921
Accumulated depreciation										
At 1 January		16,893,859	44,943,710	2,132,170	925,263	1,838,932	590,139	-	105,124	67,429,197
Depreciation for the year		986,526	2,659,374	129,980	90,615	130,896	113,156	-	110	4,110,657
Written-off		(11,063)	(106,281)	(25,023)	-	(1,968)	(22,675)	-	-	(167,010)
Disposal		-	(338,196)	(2,640)	(32,141)	(79,722)	(5,225)	-	-	(457,924)
Eliminate on Revaluation		(21,570)	(91,560)	(1,711)	(1,410)	(1,425)	(34)	-	-	(117,710)
Reclassification		455	779	252	(378)	1,228	317	-	-	2,653
Inflation adjustment		224,425	1,045,392	-	-	63,252	-	-	62	1,333,131
Currency realignment		(375,585)	(1,154,430)	(86,973)	(25,841)	(86,313)	(11,873)	-	(1,499)	(1,742,514)
At 31 December		17,697,047	46,958,788	2,146,055	956,108	1,864,880	663,805	-	103,797	70,390,480
Carrying amount										
At 31 December		20,786,048	12,325,692	272,234	147,929	770,452	673,076	583	337,427	35,313,441

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Notes to the Financial Statements (continued)

12. Property, plant and equipment (continued)

	Land and building €	Plant and machinery €	Motor vehicles €	Computers €	Furniture and fittings €	Office equipment €	Assets under construction €	Others €	Total €
Group									
2022									
At 1 January	37,723,120	55,009,974	1,796,308	976,739	2,597,135	1,006,857	1,286,536	2,011,396	102,408,065
Additions	2,792,584	4,179,260	243,853	117,619	366,795	202,997	63,111	277,981	8,244,200
Written-off	(24,122)	(562,931)	(78,493)	(24,594)	(268,612)	(1,542)	-	-	(960,294)
Disposals	(2,654,782)	(1,851,067)	(165,226)	(22,624)	(391,608)	(4,595)	(1,456,027)	(36,064)	(6,581,993)
Reclassification	(139,882)	166,687	651,898	24,594	273,747	(158,799)	-	(1,804,614)	(986,369)
Currency realignment	(288,118)	274,186	3,751	(3,837)	(12,347)	(2,690)	106,380	(10,224)	67,101
At 31 December	37,408,800	57,216,109	2,452,091	1,067,897	2,565,110	1,042,228	-	438,475	102,190,710
Accumulated depreciation									
At 1 January	16,733,165	43,861,883	1,586,160	863,018	2,098,337	624,539	-	123,159	65,890,261
Depreciation for the year	969,818	3,135,537	180,562	92,832	103,637	86,608	-	24	4,569,018
Written-off	(24,122)	(562,931)	(78,493)	(24,594)	(268,612)	(1,542)	-	-	(960,294)
Disposal	(728,130)	(1,452,224)	(53,953)	(4,360)	(74,995)	(1,161)	-	-	(2,314,823)
Reclassification	(300)	(224,619)	498,931	-	(580)	(121,912)	-	(17,500)	134,020
Currency realignment	(56,572)	186,064	(1,037)	(1,633)	(18,855)	3,607	-	(559)	111,015
At 31 December	16,893,859	44,943,710	2,132,170	925,263	1,838,932	590,139	-	105,124	67,429,197
Carrying amount									
At 31 December	20,514,941	12,272,399	319,921	142,634	726,178	452,089	-	333,351	34,761,513

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13. Right-of-use assets

The Group has lease contracts for office buildings, plant and machinery, motor vehicles, computers and office equipment. The lease term ranges from 1 to 9 years. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 5.46% (2022: 5.46%)

	Note	Office buildings €	Plant and machinery €	Motor vehicles €	Computers €	Office equipment €	Total €
Group							
2023							
Cost							
At 1 January		2,833,550	1,484,581	1,802,729	57,170	125,415	6,303,445
Acquisition of subsidiary	9	-	33,409	-	-	33,406	66,815
Additions		942,619	179,787	304,562	-	32,219	1,459,187
End of lease term		(360,543)	(124,089)	(165,260)	-	(16,368)	(666,260)
Currency realignment		(40,759)	23,378	9,430	78	-	(7,873)
At 31 December		3,374,867	1,597,066	1,951,461	57,248	174,672	7,155,314
Accumulated depreciation							
At 1 January		1,948,659	1,001,525	889,195	41,317	95,067	3,975,763
Charge for the year		389,992	159,823	434,662	5,434	37,260	1,027,171
End of lease term		(192,809)	(124,093)	(156,001)	-	(17,404)	(490,307)
Reclassification		-	-	-	5,435	(5,435)	-
Currency realignment		(57,936)	25,916	2,318	78	(116)	(29,740)
At 31 December		2,087,906	1,063,171	1,170,174	52,264	109,372	4,482,887
Carrying amount							
At 31 December		1,286,961	533,895	781,287	4,984	65,300	2,672,427

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13. Right-of-use assets (continued)

	Office buildings €	Plant and machinery €	Motor vehicles €	Computers €	Office equipment €	Total €
Group						
2022						
Cost						
At 1 January	2,939,303	1,574,277	1,248,633	59,873	125,415	5,947,501
Additions	213,709	33,575	794,769	-	-	1,042,053
End of lease term	(286,817)	(94,692)	(226,222)	-	-	(607,731)
Currency realignment	(32,645)	(28,579)	(14,451)	(2,703)	-	(78,378)
At 31 December	2,833,550	1,484,581	1,802,729	57,170	125,415	6,303,445
Accumulated depreciation						
At 1 January	1,774,367	938,345	737,336	44,020	67,264	3,561,332
Charge for the year	407,110	146,292	370,735	-	27,803	951,940
End of lease term	(203,198)	(94,692)	(226,222)	-	-	(524,112)
Currency realignment	(29,620)	11,580	7,346	(2,703)	-	(28,019)
At 31 December	1,948,659	1,001,525	889,195	41,317	95,067	3,975,763
Carrying amount						
At 31 December	884,891	483,056	913,534	15,853	30,348	2,327,682

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14. Intangible assets

	Rights €	Software €	Others €	Total €
Group				
2023				
At 1 January	123,770	1,673,371	558,794	2,355,935
Additions	-	113,100	53,058	166,158
Disposal	-	(33,405)	(2,091)	(35,496)
Currency realignment	-	(1,162)	(28,977)	(30,139)
At 31 December	123,770	1,751,904	580,784	2,456,458
Accumulated amortisation				
At 1 January	58,220	1,465,803	547,257	2,071,280
Amortisation for the year	-	125,861	43,651	169,512
Currency realignment	-	(1,851)	(25,100)	(26,951)
At 31 December	58,220	1,589,813	565,808	2,213,841
Carrying amounts				
At 31 December	65,550	162,091	14,976	242,617
2022				
At 1 January	123,770	1,682,043	526,733	2,332,546
Additions	-	37,086	15,656	52,742
Disposal	-	(28,727)	-	(28,727)
Written Off	-	(14,368)	-	(14,368)
Reclassification	-	2,375	-	2,375
Currency realignment	-	(5,038)	16,405	11,367
At 31 December	123,770	1,673,371	558,794	2,355,935
Accumulated amortisation				
At 1 January	58,220	1,330,547	522,680	1,911,447
Amortisation for the year	-	148,489	6,533	155,022
Written Off	-	(14,368)	-	(14,368)
Reclassification	-	2,892	-	2,892
Currency realignment	-	(1,757)	18,044	16,287
At 31 December	58,220	1,465,803	547,257	2,071,280
Carrying amounts				
At 31 December	65,550	207,568	11,537	284,655

The intangible assets included above have finite useful lives, over which the assets are amortised. The amortisation period for right to use assets incurred by a subsidiary is 10 years (2022: 10 years). Software is amortised over their estimated useful lives by the Group, which ranges from 1 to 7 years (2022: 1 to 7 years).

The amortisation expenses have been included in the line items "administrative expenses" in the profit or loss.

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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15. Goodwill

	Group 2023 €	2022 €
Cost		
At 1 January	118,029	118,029
Acquisition of subsidiary (Note 9)	169,735	-
At 31 December	287,764	118,029
Accumulated impairment		
At 1 January and 31 December	(118,029)	(118,029)
Carrying amount		
At 31 December	169,735	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group 2023 €	2022 €
USI Site	92,501	92,501
Premier Technical Limited	763,339	-
Kram Engineering (Pty) Limited	25,528	25,528
	881,368	118,029

16. Investment in subsidiaries

	Company 2023 €	2022 €
Cost		
At 1 January	5,897,306	5,776,068
Acquisition during the year	90	1
Currency difference	-	121,237
At 31 December	5,897,396	5,897,306
Accumulated impairment		
At 1 January	1,467,826	-
Impairment during the year	-	1,467,826
At 31 December	1,467,826	1,467,826
Carrying amount		
At 31 December	4,429,570	4,429,480

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by the Company						
Welding Alloys Limited	England	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Services Pte. Ltd.	Singapore	Management consultancy services	100	100	100	100
Welding Alloys FZE	The United Arab Emirates	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Injection Alloys Global Limited	England	Management of other group companies	100	100	100	100
Welding Alloys (Singapore) Pte. Ltd. [(a)]	Singapore	Distribution and sale of welding consumables and provision of Integra services	-	-	-	-
Axis Welding (Singapore) Pte. Ltd.	Singapore	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys France SAS	France	Manufacture and sale of welding consumables, machines and provision of Integra services	58.6	58.6	58.6	58.6
Welding Alloys Panamericana S.A. de C.V. [(b)]	Mexico	Manufacture and sale of welding consumables and provision of Integra services	0.005	0.005	0.005	0.005
Injection Alloys Group Pte. Ltd. [(c)]	Singapore	Dormant	100	-	100	-
Held by Welding Alloys Limited						
Welding Alloys France SAS	France	Manufacture and sale of welding consumables, machines and provision of Integra services	41.4	41.4	41.4	41.4
W A S A (Proprietary) Limited	South Africa	Manufacture and sale of welding consumables and provision of Integra services	74	74	74	74

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows: (continued)

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by Welding Alloys Limited (continued)						
Welding Alloys Ithalat Ihr.Ve Paz Ltd Sti	Turkey	Real estate ownership	100	100	100	100
Speedmet Aluminyum San. Ve. Tic. Ltd Sti	Turkey	Manufacture and sale of welding consumables	99.5	99.5	99.5	99.5
Welding Alloys Kaynak Ve Tel Metal San. Tic. Ltd. Şti.	Turkey	Manufacture and sale of welding consumables	99	99	99	99
Welding Alloys Russia Limited	Russia	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Polska Sp.z o.o.	Poland	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Sweden (Holding) Ltd	Sweden	Own and manage stocks and shares in the Company	100	100	100	100
Welding Alloys Hellas Limited	Greece	Distribution and sale of welding consumables and provision of Integra services	90	90	90	90
Welding Alloys Deutschland GmbH	Germany	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys (Fast East) Sdn Bhd	Malaysia	Manufacture and sale of welding consumables and provision of Integra services	100	100	100	100
Beijing Welding Alloys China Co. Ltd	China	Distribution and sale of welding consumables	92	92	92	92

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows: (continued)

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by Welding Alloys Limited (continued)						
Welding Alloys USA, Inc	United States	Manufacture and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Argentina S.A	Argentina	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Premier Technical Limited [(d)]	United Kingdom	Manufacturing of Machinery for metallurgy	100	-	100	-
Welding Alloys Brazil Limited	Brazil	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Panamericana S.A. de C.V. [(b)]	Mexico	Manufacture and sale of welding consumables and provision of Integra services	99.995	99.995	99.995	99.995
Held by Welding Alloys France SAS						
Produr SAS	France	Distribution and sale of hard plates and provision of Integra services	100	100	100	100
Welding Alloys Maroc	Morocco	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Espana S.A. [(e)]	Spain	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Italiana SRL	Italy	Distribution and sale of welding consumables and provision of Integra services	80	80	80	80

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows: (continued)

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by Produr SAS						
SCI L' Arietaz	France	Building rental	100	100	100	100
Held by Welding Alloys Espana S.A.						
Welding Alloys S.L. (e)	Spain	Distribution and sale of hard plates	-	100	-	100
Held by W A S A (Proprietary) Limited						
Kram Engineering (Pty) Ltd	South Africa	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Kramwear Zambia Limited	Republic of Zambia	Distribution and sale of welding consumables and provision of Integra services	10	10	10	10
Held by Kram Engineering (Pty) Ltd						
Kramwear Zambia Limited	Republic of Zambia	Distribution and sale of welding consumables and provision of Integra services	90	90	90	90
Held by Welding Alloys Sweden (Holding) AB						
Aktiebolaget Dalforsan	Sweden	Manufacturer of rolls for the steel industry	100	100	100	100
Held By Welding Alloys Deutschland GmbH						
Alunox Schweisstechnik GmbH	Germany	Distribution and sale of welding consumables	100	100	100	100
Corodur Fulldraht GmbH	Germany	Manufacture and sale of welding consumables	100	100	100	100
Held by Welding Alloys (Far East) Sdn Bhd						
Welding Alloys Taiwan	Taiwan	Distribution and sale of welding consumables and provision of Integra services	84.38	84.38	84.38	84.38

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows: (continued)

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by Welding Alloys (Far East) Sdn Bhd (continued)						
Welding Alloys South Asia Private Limited	India	Distribution and sale of welding consumables and provision of Integra services	99.99	99.99	99.99	99.99
Welding Alloys Thailand Co. Ltd	Thailand	Distribution and sale of welding consumables and provision of Integra services	90	90	90	90
Welding Alloys Japan Ltd	Japan	Distribution and sale of welding consumables and provision of Integra services	90	90	90	90
Welding Alloys Malaysia Sdn Bhd	Malaysia	Distribution and sale of welding consumables and provision of Integra services	90	90	90	90
Welding Alloys Tubular Product	India	Ceased operation	99.5	99.5	99.5	99.5
PT Welding Alloys	Indonesia	Ceased operation	95	95	95	95
Held By Welding Alloys Thailand Co. Ltd						
Welding Alloys Vietnam Co. Ltd	Vietnam	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Held by Welding Alloys Panamericana S.A. de C.V.						
Welding Alloys Peru S.A.C.	Peru	Distribution and sale of welding consumables	100	100	100	100
Held by Injection Alloys Global Limited						
Injection Alloys Limited	United Kingdom	Management of other group companies	100	100	100	100

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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16. Investment in subsidiaries (continued)

Details of the Group's subsidiaries at the end of the reporting period are as follows: (continued)

Name	Principal place of business	Principal activities	% of ordinary shares held by the Group		% of voting power held by the Group	
			2023	**2022**	**2023**	**2022**
Held by Injection Alloys Limited						
Injection Alloys Mexico Ltd	Mexico	Manufacture and sale of consumables	100	100	100	100
Injection Alloys Incorporated	New Jersey, USA	Manufacture and sale of consumables	100	100	100	100
Injection Alloys GmbH Ltd	Germany	Manufacture and sale of consumables	100	100	100	100
Injection Alloys South Africa Pty Ltd	South Africa	Manufacture and sale of consumables	100	100	100	100
Held by WA Itahalat Turkey						
Speedmet Aluminyum San. Ve. Tic. Ltd Sti	Turkey	Manufacture and sale of welding consumables	4.14	4.14	4.14	4.14

(a) Welding Alloys (Singapore) Pte Ltd have filed an application for strike-off/liquidation with statutory authority and approval was obtained on 3 February 2023.

(b) Company holds 0.005% while the subsidiary, Welding Alloys Panamericana S.A. de C.V. holds 99.995% for the subsidiary. Hence, total effective ownership is 100%.

(c) The Company incorporated Injection Alloy Group Pte Ltd on November 2023.

(d) Premier Technical Limited was acquired by a subsidiary, Welding Alloys Ltd on 24 April 2023 (Note 9).

(e) Welding Alloys S.L. was merged with Welding Alloys Espana S.A. during the financial year 2023.

The Group has the following subsidiaries that have non-controlling interests (NCI) that are material to the Group:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive loss attributable to non-controlling interests		Accumulated non-controlling interests	
		2023	**2022**	**2023**	**2022**	**2023**	**2022**
		%	%	€	€	€	€
W A S A (Pty) Limited	South Africa	26	26	(91,946)	31,531	497,553	589,499
Individually immaterial subsidiaries with non-controlling interests				(15,733)	41,403	(80,878)	146,966
				(107,679)	72,934	416,675	736,465

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16. Investment in subsidiaries (continued)

Non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	W A S A (Proprietary) Limited and its subsidiaries	
	2023	**2022**
	€	€
Current assets	3,289,579	3,648,422
Non-current assets	1,677,746	1,978,733
Current liabilities	(962,413)	(1,513,241)
Non-current liabilities	(837,679)	(593,036)
Equity attributable to owners of the Company	(2,669,680)	(2,931,379)
Non-controlling interests	497,553	589,499
Revenue	7,627,219	7,191,879
Expenses	(7,641,630)	(7,105,789)
(Loss)/profit for the year	(14,411)	86,090
(Loss)/profit attributable to owners of the Company	(10,664)	63,707
(Loss)/profit attributable to non-controlling interests	(3,747)	22,383
(Loss)/profit for the year	(14,411)	86,090
Other comprehensive (loss)/income attributable to owners of the Company	(251,031)	26,038
Other comprehensive (loss)/income attributable to non-controlling interests	(88,198)	9,148
Other comprehensive (loss)/income for the year	(339,229)	35,186
Total comprehensive (loss)/income attributable to owners of the Company	(261,694)	89,745
Total comprehensive (loss)/income attributable to non-controlling interests	(91,946)	31,531
Total comprehensive (loss)/income for the year	(353,640)	121,276

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17. Investment in joint ventures

	Group	
	2023	2022
	€	€
Equity investments		
As at 1 January	2,358,667	1,706,270
Share of profit of joint ventures	182,661	281,156
Translation differences	(287,101)	371,241
As at 31 December	2,254,227	2,358,667

The details of the Group's joint ventures are as follows:

Name of joint venture and country of incorporation and operation	Registered office	Principal activity	Proportion of ownership interest and voting rights held by the Group	
			2023	2022
			%	%
Held by Welding Alloys Limited				
Hana Welding Co., Ltd South Korea	190-1 Daegotbuk-ro, Tongjin-eup, Gimpo-city, Gyungki-do, Korea	Manufacturer of welding consumables.	50	50
Benxi Weir Weld Manufacturing Co China	No. 539 Xinhua West Road, Shijiazhuang, Hebei, China	Caster clamping roller manufacture, repair and welding.	50	50
Held by Welding Alloys Far East Sdn Bhd				
KW Technologies S.A.	Colina, Santiago, Metropolitan Region, Chile.	Manufacture, import, export, trading and distribution of bi-metallic plates	50	50

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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17. Investment in joint ventures (continued)

The summarised financial information in respect of the Group's joint venture, Hana Welding Co., Ltd, is set out below:

	Group	
	2023	**2022**
	€	€
Current assets	1,679,949	1,651,200
Non-current assets	367,891	305,957
Current liabilities	(191,716)	(96,459)
Non-current liabilities	(323,673)	(275,211)
Net assets	1,532,451	1,585,487
Revenue for the year	2,513,608	2,537,856
Interest income	418	229
Profit for the year	27,444	174,937
Share of joint venture's results	13,722	87,468

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hana Welding Co., Ltd recognised in these consolidated financial statements:

	Group	
	2023	**2022**
	€	€
Net assets of the joint venture	1,532,451	1,585,487
Proportion of the Group's ownership interest in Hana Welding Co., Ltd	50%	50%
Carrying amount of the Group's interest in Hana Welding Co., Ltd	766,226	792,743

Docusign Envelope ID: 1A065E5C-B5F6-4EBC-AEB6-C7F1135334A9

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17. Investment in joint ventures (continued)

The summarised financial information in respect of the Group's joint venture, Benxi Weir Weld Manufacturing Co, is set out below:

	Group	
	2023	**2022**
	€	€
Current assets	1,689,801	1,452,597
Non-current assets	71,666	81,810
Current liabilities	(525,379)	(327,053)
Net assets	1,236,088	1,207,354
Revenue for the year	757,319	1,004,834
Profit for the year	77,453	117,330
Share of joint venture's results	38,726	58,665

Reconciliation of the above summarised financial information to the carrying amount of the interest in Benxi Weir Weld Manufacturing Co recognised in these consolidated financial statements:

	Group	
	2023	**2022**
	€	€
Net assets of the joint venture	1,236,088	1,207,354
Proportion of the Group's ownership interest in Benxi Weir Weld Manufacturing Co	50%	50%
Carrying amount of the Group's interest in Benxi Weir Weld Manufacturing Co	618,044	603,677

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17. Investment in joint ventures (continued)

The summarised financial information in respect of the Group's joint venture, KW Technologies S.A., is set out below:

	Group	
	2023	**2022**
	€	€
Current assets	1,326,182	873,470
Non-current assets	490,835	582,876
Current liabilities	(422,513)	(191,455)
Non-current liabilities	(13,203)	(47,065)
Net assets	1,381,301	1,217,826
Revenue for the year	2,481,124	2,048,337
Profit for the year	260,426	270,047
Share of joint venture's results	130,213	135,024

Reconciliation of the above summarised financial information to the carrying amount of the interest in KW Technologies S.A. recognised in these consolidated financial statements:

	Group	
	2023	**2022**
	€	€
Net assets of the joint venture	1,381,301	1,217,826
Proportion of the Group's ownership interest in KW Technologies S.A.	50%	50%
Carrying amount of the Group's interest in KW Technologies S.A.	690,651	608,913

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18. Investment in associates

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Equity investments				
As at 1 January	2,718,585	2,702,358	1,134,741	420,740
Addition	-	-	-	714,001
Share of associates profits	369,659	340,512	-	-
Translation differences	(86,273)	(324,285)	-	-
As at 31 December	3,001,971	2,718,585	1,134,741	1,134,741

The details of the Group's associates are as follows:

Name of associate and country of incorporation and operation	Registered office	Principal activity	Proportion of ownership and voting power held	
			2023	2022
			%	%
Held by the Company				
Rabbitsoft Limited England	CBI Business Centre 20 Station Road Cambridge CB1 2JD United Kingdom	Software development	41.81	41.81
Reptec De Guatemala, S.A. Guatemala*	42 Calle 22-17 Zona 12 Bogeda No. 6, Col. Industrial Santa Elisa 01012, Guatemala	Rendered remunerated services	50	50
Held by Welding Alloys Limited				
WA Jidong Wear Resistance Technology Engineering (Tangshan) Co., Ltd. China	No. 539 Xinhua West Road, Shijiazhuang, Hebei, China	Produce, process the wear resistant steel plate, wear-resistant metal workpiece, wear repair technical service.	49	49
Held by Kram Engineering (Pty) Ltd				
BKK Kram Engineering (Pty) Ltd. South Africa	6 Wolverhampton Street, Apex, Benoni, South Africa	Dormant	49	49

All of the above associates are accounted for using the equity method in these consolidated financial statements.

* In 2022, Reptec De Guatemala, S.A. Guatemala ownership has been transferred from Welding Alloys (Singapore) Pte Ltd to the Company.

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18. Investment in associates (continued)

The summarised financial information in respect of the Group's material associates, Reptec De Guatemala, S.A., is set out below:

	Group 2023 €	Group 2022 €
Current assets	3,214,558	2,671,425
Non-current assets	127,516	61,600
Current liabilities	(904,321)	(1,148,966)
Net assets	2,437,753	1,584,059
Revenue for the year	4,454,933	4,788,388
Interest income for the year	9,265	13,167
Profit for the year	173,101	332,780
Share of associate's results	86,550	166,390

Reconciliation of the above summarised financial information to the carrying amount of the interest in Reptec De Guatemala, S.A. recognised in these consolidated financial statements:

	Group 2023 €	Group 2022 €
Net assets of the associate	2,437,753	1,584,059
Proportion of the Group's ownership interest in Reptec De Guatemala, S.A.	50%	50%
Carrying amount of the Group's interest in Reptec De Guatemala, S.A.	1,218,876	792,030

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18. Investment in associates (continued)

The summarised financial information in respect of the Group's material associates, WA Jidong Wear Resistance Technology Engineering (Tangshan) Co., Ltd., is set out below:

	Group	
	2023	**2022**
	€	€
Current assets	5,450,368	5,489,533
Non-current assets	739,381	681,875
Current liabilities	(2,850,879)	(3,048,923)
Non-current liabilities	(42,254)	-
Net assets	3,296,616	3,122,485
Revenue for the year	7,973,975	7,737,708
Interest income for the year	642	750
Interest expense for the year	20,609	16,199
Profit for the year	489,146	416,108
Share of associate's results	239,682	203,893

Reconciliation of the above summarised financial information to the carrying amount of the interest in WA Jidong Wear Resistance Technology Engineering (Tangshan) Co., Ltd. recognised in these consolidated financial statements:

	Group	
	2023	**2022**
	€	€
Net assets of the associate	3,296,616	3,122,485
Proportion of the Group's ownership interest in WA Jidong Wear Resistance Technology Engineering (Tangshan) Co.,Ltd.	49%	49%
Carrying amount of the Group's interest in WA Jidong Wear Resistance Technology Engineering (Tangshan) Co.,Ltd.	1,615,342	1,530,018

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19. Deferred tax assets/liabilities

The following are the deferred tax asset and liability recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	Group	
	2023	**2022**
	€	€
Deferred tax liabilities		
At 1 January	(1,165,300)	(705,647)
Amount charged to profit or loss	(35,592)	(443,527)
Translation differences	(93,150)	(16,126)
At 31 December	(1,294,042)	(1,165,300)
Analysis		
Deferred tax liabilities	(2,518,944)	(2,604,470)
Deferred tax assets	1,224,902	1,439,170
	(1,294,902)	(1,165,300)

Deferred tax assets are recognised for tax losses carried forward from subsidiaries to the extent that realisation of related tax benefits through future taxable profits is probable.

Deferred tax liability mainly comprises of the excess carrying amount of property, plant and equipment over its tax written down value.

20. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€	€	€	€
Due to subsidiaries	-	-	117,043	604,737
Due to unrelated parties	17,151,411	19,920,761	-	-
Due to related parties	3,333	19,404	-	-
	17,154,744	19,940,165	117,043	604,737
Other payables:				
- unrelated parties	2,246,812	2,048,277	-	696
- related parties	1,570,591	3,638,921	1,379,121	3,352,742
Accrued operating expenses	9,408,784	9,695,001	77,301	57,487
Deposits	-	24,165	-	-
Amount due to:				
- director	729,689	78,631	679,186	7,150
- non-controlling shareholders	85,627	73,230	-	-
	14,041,503	15,558,225	2,135,608	3,418,075
	31,196,247	35,498,390	2,252,651	4,022,812
Current	28,679,099	31,865,230	194,344	670,070
Non-current	2,517,148	3,633,160	2,058,307	3,352,742
	31,196,247	35,498,390	2,252,651	4,022,812

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20. Trade and other payables (continued)

(a) The credit period on purchases from suppliers is between 0 to 120 days or payable upon delivery. The balances are unsecured, interest-free and repayable on demand.

(b) Trade payables are recognised at their original invoiced amounts which represent their fair values on initial recognition. Trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

(c) The amounts due to director and non-controlling shareholders are unsecured, interest-free and repayable within the next twelve months.

(d) Due to related parties – refer to significant related party transactions (Note 30).

(e) The Group's and the Company's exposures to liquidity and foreign currency risks are disclosed in Note 31.

21. Contract liabilities

	Group	
	2023	**2022**
	€	€
Services *(a)*	56,132	1,602,282
Advances from customers *(b)*	2,421,175	1,896,542
	2,477,307	3,498,824
Analysed as:		
Current	2,435,592	3,493,779
Non-current	41,715	5,045
	2,477,307	3,498,824

(a) Revenue relating to service income is recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to service income at the time of the initial sales transaction and is released over the service period.

(b) For sale of goods, revenue is recognised when control of the goods has transferred to the customer, being at the point the good are delivered to the customer. When the customer initially purchases the goods, the transaction price received at that point by the Group is recognised as contract liability until the goods have been delivered to the customer.

The movement in contract liabilities are as follows:

	Group	
	2023	**2022**
	€	€
At 1 January	3,493,779	1,480,495
Net of receipt from customers and revenue recognised during the year upon entering sales contracts in the same year	2,482,360	3,498,832
Revenue recognised that was included in the contract liabilities at the beginning of the year	(3,498,832)	(1,485,548)
At 31 December	2,477,307	3,493,779

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22. Bank loans and overdrafts

	Group	
	2023	**2022**
	€	€
At amortised cost		
Bank overdrafts (Note 9)	2,684,424	1,600,891
Bank loans	15,425,072	21,866,921
	18,109,496	23,467,812
Less: Amount due for settlement within 12 months	(10,082,512)	(13,627,617)
Amount due for settlement after 12 months	8,026,984	9,840,195

Bank overdrafts are repayable on demand.

The Group have the following significant bank loans, borrowings are secured by fixed deposits (Note 9) of the respective subsidiaries as at 31 December 2023:

(i) Within the United States, the Group has a €1,624,910 (2022: €1,798,658) revolving line of credit with a financial institution that bears average interest rate at 8.5% (2022: 7.5%).

(ii) In France, the Group has bank loans of €7,909,803 (2022: € 5,418,937). These loans carry an average interest rate of 1.33% (2022: 0.56%) per annum and are repayable within 1 year to 5 years (2022: 1 year to 5 years).

(iii) In Germany, the Group has bank loans of €552,184 (2022: €234,298). These loans carry an average interest rate of 2.81% (2022: 2.45%) per annum and are repayable within 1 year to 6 years (2022: 1 year to 6 years).

(iv) In Japan, the Group has bank loans of €1,696,737 (2022: €1,632,438). These loans carry an average interest rate of 0.90% (2022: 1.17%) per annum and are repayable within 1 year to 15 years (2022: 1 year to 12 years).

(v) In South Africa, the Group has bank loans of €299,144 (2022: €417,842). These loans carry an average interest rate of 11.25% (2022: 10.75%) per annum and repayable within 10 years (2022: 10 years) approximately.

(vi) In Mexico, the Group has bank loans of €936,491 (2022: €803,718). These loans carry an average interest rate of 14.18% (2022: 12.83%) per annum and repayable within 3 years (2022: 3 years) approximately.

(vii) In Sweden, the Group has bank loans of €2,346,807 (2022: €2,561,567). These loans carry an average interest rate of 6.14% (2022: 1.5%) per annum and repayable within 20 years (2022: 16 years) approximately.

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22. Bank loans and overdrafts (continued)

Reconciliation of liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2023 €	Financing cash flows €	Acquisition of a subsidiary (Note 9) €	New finance leases €	At 31 December 2023 €
Bank loans (Note 22)	21,866,921	(6,441,849)	-	-	15,425,072
Lease liabilities (Note 23)	2,283,355	(1,105,799)	69,456	1,459,187	2,706,199
	24,150,276	(7,547,648)	69,456	1,459,187	18,131,271

	At 1 January 2022 €	Financing cash flows €	Acquisition of subsidiary €	New finance leases €	At 31 December 2022 €
Bank loans (Note 22)	18,611,146	3,255,775	-	-	21,866,921
Lease liabilities (Note 23)	2,432,285	(1,190,983)	-	1,042,053	2,283,355
	21,043,431	2,064,792	-	1,042,053	24,150,276

The cash flows from borrowings and lease liabilities make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

The Group's exposures to liquidity and foreign currency risks are disclosed in Note 31.

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23. Lease liabilities

	Group 2023 €	2022 €
Maturity analysis:		
Not later than one year	1,007,676	1,195,844
Later than one year and not later than five years	1,554,234	1,158,252
More than five years	227,998	9,257
	2,789,908	2,363,353
Less: Unearned interest	(83,709)	(79,998)
	2,706,199	2,283,355
Analysed as:		
Current	1,021,251	1,218,155
Non-current	1,684,948	1,065,200
	2,706,199	2,283,355

(a) The Group does not face significant liquidity risk with regards to its lease liabilities.

(b) The Group's exposures to liquidity and foreign currency risks are disclosed in Note 31.

24. Provisions

	Provision of warranty €	Litigation €	Other provisions €	Total €
Group				
2023				
At 1 January	589,868	146,566	1,210,164	1,946,598
Provision for the year	(38,694)	(14,700)	454,881	401,487
Utilisation of provision	(6,055)	-	(19,924)	(25,979)
Translation difference	(9,296)	(19,016)	(35,309)	(63,621)
At 31 December	535,823	112,850	1,609,812	2,258,485
2022				
At 1 January	507,344	394,070	1,423,526	2,324,940
Provision for the year	94,432	121,105	123,069	338,606
Utilisation of provision	(1,602)	(362,689)	(311,618)	(675,909)
Translation difference	(10,306)	(5,920)	(24,813)	(41,039)
At 31 December	589,868	146,566	1,210,164	1,946,598

	Group 2023 €	2022 €
Current	1,517,100	1,652,846
Non-current	741,385	293,752
	2,258,485	1,946,598

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25. Retirement Benefit Obligations

The Group has two key groups of defined benefit pension plans for qualifying employees of its subsidiaries located in France and Germany. Under these plans, the employees are entitled to retirement benefits on attainment of the retirement age of 65.

The provision for pension benefit obligations is based on the actuarial reports of independent actuaries, Crédit Agricole Assurances S.A. and Kölner Spezial Beratungs-GmbH.

The method used in these actuarial valuations is the Projected Unit Credit Method and the retirement age was established on the basis of the legal provisions in force in the individual countries. In France, the mortality table referred is THOO-O2 for men and O2 TFOO for women. In Germany, the demographic assumptions are based on Richttafeln 2005 G mortality table by Prof. Dr. Klaus Heubeck.

The pension benefit obligations recognised by the Group in the consolidated statement of financial position amounted to approximately €809,622 (2022: €751,638). The related (expenses)/income recognised in the consolidated statement of comprehensive income amounted to approximately (€7,231) (2022: €139,377).

The estimated liabilities for pension benefit obligations based on the actuarial report have been determined using the following assumptions.

	Group	
	2023	**2022**
	€	€
France		
Discount rate	3.2% per annum	0.34% per annum
Wages and salary increase	0%	0%
Retirement age	65-67 years of age	65 years of age
Method	Projected unit credit	Projected unit credit
Germany		
Discount rate	3.49% per annum	0.34-3.92% per annum
Wages and salary increase	0%-1% per annum	0%-1% per annum
Retirement age	65 years of age	65 years of age
Method	Projected unit credit	Projected unit credit

The details of the provision for pension benefit obligations as at consolidated statement of financial position date are as follows:

	Group	
	2023	**2022**
	€	€
Present value of benefit obligation	2,480,333	2,386,658
Fair value of plan assets	(1,670,711)	(1,635,020)
Net pension benefit obligation	809,622	751,638

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25. Retirement Benefit Obligations (continued)

The details of the pension benefit (expense)/income recognised in the consolidated statement of comprehensive income are as follows:

	Group	
	2023	**2022**
	€	€
Current service cost	19,894	19,327
Past service cost and gain from settlements	55,306	127,620
Actual contribution		
- Current year	(21,186)	-
	(21,186)	-
Net interest expenses	(61,245)	(7,570)
Components of defined benefits costs recognised in profit or loss	(7,231)	139,377

Movement in provision for pension benefit obligation are as follows:

	Group	
	2023	**2022**
	€	€
At 1 January	2,386,658	2,395,536
Current service cost	189,869	19,327
Interest cost	(47,198)	(7,570)
Remeasurement losses/(gains): Actuarial gains and losses		
- from changes in assumption	66,117	(295,483)
- from experience adjustments	5,134	(1,169)
- from demographical change	(55,910)	35,066
Past service cost	3,174	-
Others	(122,817)	113,331
Benefits paid	55,306	127,620
At 31 December	2,480,333	2,386,658

Charges in the fair value of plan assets are as follows

	Group	
	2023	**2022**
	€	€
At 1 January	(1,635,020)	(1,653,020)
Actual contribution:		
- current year	(21,186)	-
	(21,186)	-
Interest income	(14,047)	-
Remeasurement gains - Actuarial gains and losses:		
- Return on plan assets	(458)	-
At 31 December	(1,670,711)	(1,653,020)

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26 Share capital

	Group and Company	
	2023	2022
	€	€
Issued and fully paid –		
1,415,781 (2022: 1,415,781) ordinary shares	917,998	917,998

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

27. Reserves

	Group	
	2023	2022
	€	€
Capital reserve		
At 1 January and 31 December	534,088	1,690,383
Transfer from/(to) retained earnings	484,917	(1,156,295)
At 31 December	1,019,005	534,088
Merger reserve		
At 1 January and 31 December	(2,895,643)	(2,895,643)
Surplus reserve		
At 1 January	4,142,833	3,505,151
Transfer from retained earnings	1,476	608,448
Movement	1,517,444	29,234
At 31 December	5,661,753	4,142,833
Other reserve		
At 1 January	314,512	382,908
Movement	75,040	(68,396)
At 31 December	389,552	314,512
Total reserves	4,174,667	2,095,790

Merger reserve arose from the acquisitions of the entire equity stake in Welding Alloys Limited, the entire equity stake in Injection Alloys Inc., a 50% equity stake in Welding Alloys France SAS and the entire equity stake in Welding Alloys (Singapore) Pte Ltd under business combination under common control. This represents the difference between the consideration and the aggregate nominal amounts of the share capital and pre-acquisition reserve of the entities under common control at the date when these entities were consolidated as part of the Group.

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28. Contingent liabilities

A labour lawsuit was filed against a wholly owned subsidiary, Injection Alloy Mexico Ltd. by an employee who demanded compensation due to his dismissal from the Company. The value of the judgment as of 20 March 2024 is MXN59,332,403 (approximately €3,167,436). Based on the lawsuit, this amount increases by MXN21,588 (approximately €1,152) each day. As at the date of the financial statements, the lawsuit is currently in the process of issuing a ruling.

The management is of the view that no provision is necessary for the legal suit described above having considered the respective merits and stages of proceedings.

29. Commitments

Operating lease commitments – as lessee
The following are the operating lease commitments for short term and low-value assets.

Minimum lease payments, recognised as an expense in profit or loss for the financial year ended 31 December 2023 amounted to €40,276 (2022: €360,172).

30. Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

		Group	
		2023	**2022**
		€	**€**
(i)	Service income	117,711	141,348
(ii)	Key management personnel compensation:		
	Wages, salaries, bonuses and fees	594,755	441,061
	Employer's contribution to defined contribution plans	11,929	11,966
		606,684	453,027

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances with related parties at the end of financial year arising from sale/purchase of goods and services are unsecured, interest-free and repayable on demand and to be settled in cash. They are disclosed in Notes 10 and 20 respectively.

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31. Financial risk management

The note presents information about the Group's exposure to each of the following risks: credit risk, liquidity risk and market risks, and the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework
The Board of Directors had overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Categories of financial instruments
The following table sets out the financial instruments at the end of the financial year:

	Group		Company	
	2023	2022	2023	2022
	€	€	€	€
Financial assets				
Financial assets measured at amortised cost				
- trade and other receivables*	39,620,066	41,345,701	1,045,445	1,634,632
- cash and cash equivalents	24,523,295	28,545,620	333,583	499,804
- other investments	18,284	4,400	-	-
Total financial assets	64,161,645	69,895,721	1,379,028	2,134,436
Financial liabilities				
Financial liabilities measured at amortised cost				
- trade and other payables	31,196,247	35,498,390	2,252,651	4,022,812
- bank loans and overdrafts	18,109,496	23,467,812	-	-
- lease liabilities	2,706,199	2,283,355	-	-
Total financial liabilities	52,011,942	61,249,557	2,252,651	4,022,812

* Excluding prepayments and advances to suppliers and withholding and other tax.

(b) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the risk management committee annually.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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31. Financial risk management (continued)

(b) Credit risk (continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
Performing	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as the maximum exposure to credit risk:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount €	Allowance for impairment loss €	Net carrying amount €
Group						
2023						
Trade receivables	10	Performing	Lifetime ECL	38,046,878	-	38,046,878
Trade receivables	10	(i)	Lifetime ECL	1,112,174	(1,112,174)	-
Other receivables	10	Performing	12-month ECL	1,252,893	-	1,252,893
				40,411,945	(1,112,174)	39,299,771
2022						
Trade receivables	10	Performing	Lifetime ECL	39,790,637	-	39,790,637
Trade receivables	10	(i)	Lifetime ECL	901,822	(901,822)	-
Other receivables	10	Performing	12-month ECL	1,555,064	-	1,555,064
				42,247,523	(901,822)	41,345,701

(i) The Group determines the expected credit losses on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. Trade and other receivables that are neither past due nor impaired have been assessed to be creditworthy based on the credit evaluation process performed by management. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

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31. Financial risk management (continued)

(b) Credit risk (continued)

(ii) The Group and Company determine that these receivables are not past due and have low risk of default.

The Group monitored its potential losses on credit extended. An allowance for impairment on the receivables was made where there was an identified loss event which, based on previous experience, was evidence of a reduction in the recoverability of the cash flows. Trade receivables amounts presented in the statement of financial position were net of allowances for doubtful receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2023	**2022**
	€	€
By geographical area		
France	9,769,827	9,532,459
Germany	3,936,589	4,295,454
United States	4,851,524	5,383,070
Mexico	3,888,358	5,330,747
South Africa	1,360,265	1,604,557
Others (*)	15,352,489	14,546,172
	39,159,052	40,692,459

(*) Others include Japan, Italy, Malaysia, Russia and Sweden

	Group	
	2023	**2022**
	€	€
By type of customers		
Related parties	663,231	657,076
Unrelated parties	37,383,647	39,133,561
	38,046,878	39,790,637

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Note 10 to the financial statements.

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31. Financial risk management (continued)

(c) *Liquidity risk*

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the expected contractual undiscounted cash flows of financial liabilities and assets.

	Carrying amount €	Total contractual cash flows €	Less than 1 year €	Between 1 and 5 years €
Group				
2023				
Non-derivative financial liabilities				
Bank loans and overdrafts	18,109,496	18,830,752	8,508,441	10,322,311
Lease liabilities	2,706,199	2,789,908	1,007,676	1,782,232
Trade and other payables	31,196,247	31,196,247	28,679,099	2,517,148
	52,011,942	52,816,907	38,195,216	14,621,691
Non-derivative financial assets				
Trade and other receivables	39,299,771	39,299,771	38,112,238	1,187,533
Cash and bank balances	24,523,295	24,523,295	24,523,295	-
	63,823,066	63,823,066	62,635,533	1,187,533
Net exposure	11,811,124	11,006,159	24,440,317	(13,434,158)
2022				
Non-derivative financial liabilities				
Bank loans and overdrafts	23,467,812	23,467,812	13,627,617	9,840,195
Lease liabilities	2,283,355	2,283,355	1,218,155	1,065,200
Trade and other payables	35,498,390	35,498,390	31,865,230	3,633,160
	61,249,557	61,249,557	46,711,002	14,538,555
Non-derivative financial assets				
Trade and other receivables	41,345,701	41,345,701	40,509,541	836,160
Cash and bank balances	28,545,620	28,545,620	28,545,620	-
	69,891,321	69,891,321	69,055,161	836,160
Net exposure	8,641,764	8,641,764	22,344,159	(13,702,395)

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31. Financial risk management (continued)

(c) Liquidity risk (continued)
Exposure to liquidity risk (continued)

	Carrying amount	Total contractual cash flows	Less than 1 year	Between 1 and 5 years
	€	€	€	€
Company				
2023				
Non-derivative financial liability				
Trade and other payables	2,252,651	2,252,651	194,344	2,058,307
Non-derivative financial assets				
Trade and other receivables	1,045,446	1,045,446	849,963	195,483
Cash and bank balances	333,583	333,583	333,583	-
	1,379,029	1,379,029	1,183,546	195,483
Net exposure	(873,622)	(873,622)	989,202	(1,862,824)
2022				
Non-derivative financial liability				
Trade and other payables	4,022,812	4,022,812	670,070	3,352,742
Non-derivative financial assets				
Trade and other receivables	1,634,632	1,634,632	697,032	937,600
Cash and bank balances	499,804	499,804	499,804	-
	2,134,436	2,134,436	1,196,836	937,600
Net exposure	(1,888,376)	(1,888,376)	526,766	(2,415,142)

(d) Market risk
(i) Interest rate risk
Exposure to interest rate risk
At the reporting date, the interest rate profile of the Group variable interest-bearing financial instruments, as reported to the management, was as follows:

	Carrying amount	
	2023	**2022**
	€	€
Variable rate instruments		
Financial liabilities	(18,109,496)	(23,467,812)
Net exposure	(18,109,496)	(23,467,812)

A change of 100 basis points (1%) in interest rates would have increased or decreased equity by approximately €150,309 (2022: 194,783) for the Group.

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31. Financial risk management (continued)

(d) Market risk (continued)

(i) Interest rate risk (continued)

Exposure to interest rate risk (continued)

A fundamental financial industry reform of interest rate benchmarks is being undertaken globally, including the cessation of interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Company's interest rate risk that is directly affected by the interest rate benchmark reform predominantly comprises its variable rate borrowings. As at 31 December 2023, the Group has variable rate borrowings of €1,559,410 that are indexed to EURIBOR which have not yet transitioned to the new benchmark rates.

(ii) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in a currency other than the functional currency of each entity of the Group.

The currencies giving rise to this risk are primarily British pound, Chinese yuan, United States dollar, Malaysian ringgit, Japanese yen and Russian ruble.

The Group's exposure to foreign currency risk are as follows:

The Group's currency exposure based on the information provided to key management is as follows:

	Liabilities		Assets	
	2023	**2022**	**2023**	**2022**
	€	€	€	€
Group				
British pound	1,377,956	905,062	2,747,898	5,789,627
Chinese yuan	253,382	1,085,621	706,225	874,093
United States dollar	9,321,403	6,993,224	11,712,473	14,131,405
Malaysian ringgit	160,470	996,268	716,334	879,894
Japanese yen	2,617,057	2,551,391	2,059,339	2,343,624
Russian ruble	180,571	133,700	144,496	288,277

Sensitivity analysis

A 10% strengthening of foreign currencies against the Euro (functional currency) at the end of each reporting period would increase profit after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit after tax	
	2023	**2022**
	€	€
Group		
British pound	136,994	488,457
Chinese yuan	45,284	(21,153)
United States dollar	239,107	713,818
Malaysian ringgit	55,586	(11,637)
Japanese yen	(55,772)	(20,777)
Russian ruble	(3,608)	15,458

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31. Financial risk management (continued)

(d) Market risk (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis (continued)

A 10% weakening of foreign currencies against the Euro would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Group does not have any formal policy on managing its foreign currency risk. The Group maintains a natural hedge, whenever possible, by matching the foreign currency assets against its liabilities. As a result the Group continues to be exposed to foreign currency risks relating to any unmatched amounts.

(e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of bank borrowings and equity attributable to owners of the Group, comprising issued capital, reserves net of accumulated losses.

The Group reviews the capital structure on an annual basis. The Group's overall strategy remains unchanged from 2022. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

32. Fair value of financial assets and financial liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and bank deposits, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Bank overdrafts and borrowings and finance lease liabilities

The carrying amounts of bank overdrafts and borrowings and finance lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

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33. Events after balance sheet date

The Group through its subsidiary, Welding Alloys Ltd identified a possible outflow at the reporting date as a result of a historic claim by HMRC related to employment tax associated with Welding Alloys Partnership LLP. This claim is currently being disputed and is subject to an appeal and as such the potential outflow cannot be estimated reliably.

The Group through its subsidiary, Welding Alloys (Far East) Sdn Bhd has increased the investment in its subsidiary, Welding Alloys South Asia Pvt Ltd by USD2,000,000 on 11 July 2024.

34. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the balance sheet of the Company were authorised for issue in accordance with a resolution of the directors on 26 September 2024.

35. Group financial highlights

	2023 €	2022 €
Revenue	216,829,018	225,934,715
Less: Cost of Goods Sold	(161,496,185)	(163,215,549)
Gross Profit	**55,332,833**	**62,719,166**
Gross Profit Margin %	26%	*28%*
Less:		
Other Income	2,310,635	8,820,892
Sales & Distribution Expenses	(12,800,987)	(10,123,056)
General and Administrative Expenses	(36,032,603)	(39,995,357)
Other Expenses	(2,279,846)	(888,599)
	6,530,032	**20,533,046**
Add Back:		
Depreciation and Amortisation	5,307,340	5,675,980
EBITDA	**11,837,372**	**26,209,026**
EBITDA %	*5%*	*12%*
Less:		
Depreciation & Amortisation	(5,307,340)	(5,675,980)
Interest/Finance Costs	(2,236,39)	(1,568,031)
	4,296,639	18,965,015
Add:		
Share of Profits of Associates & JVs	552,320	621,668
Profit Before Tax	**4,845,959**	**19,586,683**
Tax expense	(2,440,771)	(4,940,652)
Net Profit for the Year	**2,405,188**	**14,646,031**
Net Profit Margin %	1%	*6%*