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Styrelsen för

Welding Alloys Sweden (Holding) AB

Org. Nr. 556756-0817

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2021,
bolagets 13: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 1/4 2022. Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska disponeras.

Vikmanshyttan den 1/4 2022

Dominic Stekly

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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)

	2021	2020	2019
Nettoomsättning	0	0	0
Resultat efter finansiella poster	2 243	3 162	2 072
Soliditet	41%	37%	34%

Förslag till disposition av årets vinst (kr)

Styrelsen föreslår, att till bolagsstämmans förfogande balanserad vinst utgörande:

- från föregående år balanserad vinst	15 032 515
- årets vinst	2 525 118
	17 557 633

disponeras enligt följande:

- till aktieägaren utdelas	520 000
- i ny räkning överföres	17 037 633
	17 557 633

Eget kapital

	Aktie-kapital	Fritt eget kapital
Belopp vid årets ingång	100 000	15 746 515
Utdelning		-714 000
Årets resultat		2 525 118
	100 000	**17 557 633**

Beträffande bolagets redovisade resultat för räkenskapsåret och ställningen 2021-12-31 hänvisas till efterföljande resultat- och balansräkningar jämte till dessa hörande kommentarer och noter.

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RESULTATRÄKNING (kr)	Not	2021	2020
Rörelsens kostnader			
Övriga externa kostnader		-25 868	-24 255
Rörelseresultat		**-25 868**	**-24 255**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		2 907 500	1 842 500
Övriga ränteintäkter och liknande resultatposter		-	1 345 642
Räntekostnader och liknande resultatposter		-638 979	-1 453
Resultat efter finansiella poster		**2 242 653**	**3 162 434**
Resultat före skatt		**2 242 653**	**3 162 434**
Årets skattekostnad		282 465	-282 465
Årets resultat		**2 525 118**	**2 879 969**

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BALANSRÄKNING (kr)

TILLGÅNGAR		2021-12-31	2020-12-31
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		571 802	289 337
		571 802	289 337
Kassa och bank		789 971	463 040
Summa omsättningstillgångar		**1 361 773**	**752 377**
SUMMA TILLGÅNGAR		**43 361 773**	**42 752 377**

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BALANSRÄKNING (kr)

EGET KAPITAL OCH SKULDER	2021-12-31	2020-12-31
Bundet eget kapital		
Aktiekapital (1000 aktier med kvotvärde 100 kr)	100 000	100 000
Fritt eget kapital		
Balanserad vinst	15 032 515	12 866 546
Årets resultat	2 525 118	2 879 969
Summa eget kapital	**17 657 633**	**15 846 515**
Långfristiga skulder		
Övriga skulder	23 594 387	24 845 175
Kortfristiga skulder		
Övriga skulder	2 109 753	2 060 687
	2 109 753	2 060 687
Summa skulder	**25 704 140**	**26 905 862**
SUMMA EGET KAPITAL OCH SKULDER	**43 361 773**	**42 752 377**

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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).

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Vikmanshyttan 2022-02-25

Dominic Stekly

Dan Norman

Min revisionsberättelse har avgivits 2022-03-31

Emma Larsson
Auktoriserad revisor

qrev

REVISIONSBERÄTTELSE

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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 2021.
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 2021 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. Som del av en revision enligt ISA använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer jag riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för mina uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar jag mig en förståelse av den del av bolagets interna kontroll som har betydelse för min revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala mig om effektiviteten i den interna kontrollen.
- utvärderar jag lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar jag en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Jag drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om jag drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste jag i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Mina slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar jag den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

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Jag måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Jag måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som jag identifierat.

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 2021 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.

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.

Som en del av en revision enligt god revisionssed i Sverige använder jag professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på min professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att jag fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Jag går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för mitt uttalande om ansvarsfrihet. Som underlag för mitt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har jag granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Falun den 31 mars 2022

Emma Larsson
Auktoriserad revisor

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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 (Appointed on 26.7.2021)
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 Towers Singapore 188720

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Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Directors' Statement

for the financial year ended 31 December 2021

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 2021 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 70 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 2021 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 (Appointed on 26.7.2021)

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.

Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

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.

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Dominic Stekly
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Dominic Charles Stekly
Director

DocuSigned by:
Fiona Karen Tosh
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Fiona Karen Tosh
Director

Singapore: 29 September 2022

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HENG LEE SENG LLP

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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 70 which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, 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 a summary of significant accounting policies.

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 2021 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 Matter
The financial statements for the financial year ended 31 December 2020 were audited by another auditor whose report dated 30 July 2021 expressed an unmodified opinion on those financial statements.

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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HENG LEE SENG LLP

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.

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Heng Lee Seng LLP
Public Accountants and
Chartered Accountants
Singapore

29 September 2022

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Chartered Accountants

Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2021

	Note	2021 €	2020 €
Revenue	4	166,733,915	142,189,564
Cost of sales		(119,689,049)	(100,718,072)
Gross profit		47,044,866	41,471,492
Other income	5	6,342,318	2,725,112
Sales and distribution expenses		(7,834,309)	(7,112,804)
Administrative expenses		(33,519,281)	(35,760,906)
Finance costs	6	(784,802)	(696,720)
Other expenses		(1,291,336)	(1,688,152)
Share of results of associates after tax	18	228,600	110,747
Share of results of joint ventures after tax	17	162,782	104,792
Profit/(loss) before tax		10,348,838	(846,439)
Tax expense	8	(2,696,401)	(927,946)
Profit/(loss) for the year		7,652,437	(1,774,385)
Profit/(loss) attributable to:			
Owners of the parent		7,831,764	(1,703,632)
Non-controlling interests		(179,327)	(70,753)
		7,652,437	(1,774,385)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation of foreign operations		1,710,743	(1,378,555)
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation	25	15,436	(137,997)
Surplus reserve		(880)	-
Other comprehensive income/(loss), net of tax		1,725,299	(1,516,552)
Total comprehensive income/(loss) for the year		9,377,736	(3,290,937)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		9,519,696	(3,051,451)
Non-controlling interests		(141,960)	(239,486)
		9,377,736	(3,290,937)

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

Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Statements of Financial Position
as at 31 December 2021

	Note	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Current assets					
Cash and cash equivalents	9	18,023,782	18,170,386	257,937	174,356
Trade and other receivables	10	36,862,693	31,805,116	1,846,638	1,810,627
Inventories	11	28,245,897	20,780,302	-	-
Income tax recoverable		465,006	692,504	-	-
		83,597,378	71,448,308	2,104,575	1,984,983
Non-current assets					
Property, plant and equipment	12	36,517,804	34,887,932	-	-
Right-of-use assets	13	2,386,169	2,823,784	-	-
Intangible assets	14	421,099	565,092	-	-
Goodwill	15	-	-	-	-
Investments in subsidiaries	16	-	-	5,776,068	5,776,068
Investments in joint ventures	17	1,706,270	1,521,146	-	-
Investments in associates	18	2,702,358	2,265,649	420,740	-
Other investments		35,621	31,610	-	-
Trade and other receivables	10	3,497,738	1,936,665	-	-
Deferred tax assets	19	1,557,225	1,637,179	-	-
		48,824,284	45,669,057	6,196,808	5,776,068
Total assets		132,421,662	117,117,365	8,301,383	7,761,051
Current liabilities					
Trade and other payables	20	29,833,576	18,955,438	1,700,569	1,289,434
Contract liabilities	21	1,480,495	829,958	-	-
Bank loans and overdrafts	22	12,486,464	14,554,076	-	-
Lease liabilities	23	849,359	944,149	-	-
Provisions	24	2,076,283	1,979,141	-	-
Retirement benefit obligations	25	760,516	860,803	-	-
Income tax payable		480,598	163,172	-	-
		47,967,291	38,286,737	1,700,569	1,289,434
Non-current liabilities					
Trade and other payables	20	5,444,482	6,125,397	5,192,775	5,657,775
Contract liabilities	21	10,011	5,053	-	-
Bank loans and overdrafts	22	9,458,223	8,686,910	-	-
Lease liabilities	23	1,582,926	1,959,032	-	-
Provisions	24	248,657	481,288	-	-
Income tax payable		-	2,849	-	-
Deferred tax liabilities	19	2,262,872	1,700,551	-	-
		19,007,171	18,961,080	5,192,775	5,657,775
Total liabilities		66,974,462	57,247,817	6,893,344	6,947,209
Net assets		65,447,200	59,869,548	1,408,039	813,842

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

Ultra Alloys Holdings Pte. Ltd. and its subsidiaries

Statements of Financial Position
as at 31 December 2021 (continued)

	Note	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Equity					
Capital and reserves attributable to owners of the parent					
Share capital	26	917,998	917,998	917,998	917,998
Currency translation reserves		(4,335,057)	(6,069,450)	-	-
Reserves	27	2,682,799	2,617,901	-	-
Retained earnings/(Accumulated losses)		65,180,559	60,881,356	490,041	(104,156)
Equity attributable to owners of the parent		64,446,299	58,347,805	1,408,039	813,842
Non-controlling interests	16	1,000,901	1,521,743	-	-
Total equity		65,447,200	59,869,548	1,408,039	813,842

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 2021

	Share capital	Currency translation reserve	Reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	€	€	€	€	€	€	€
Group							
2021							
At 1 January	917,998	(6,069,450)	2,617,901	60,881,356	58,347,805	1,521,743	59,869,548
Profit for the year	-	-	-	7,831,764	7,831,764	(179,327)	7,652,437
Other comprehensive income:							
- Currency translation difference arising from consolidation of foreign operations	-	1,673,376	-	-	1,673,376	37,367	1,710,743
- Remeasurement of defined benefit obligation	-	-	-	15,436	15,436	-	15,436
- Others	-	-	(880)	-	(880)	-	(880)
Total comprehensive income for the year	-	1,673,376	(880)	7,847,200	9,519,696	(141,960)	9,377,736
Dividends	-	-	-	-	-	(124,184)	(124,184)
Reclassification	-	-	93,480	(3,822,075)	(3,728,595)	-	(3,728,595)
Others	-	-	(27,702)	-	(27,702)	-	(27,702)
Deemed distribution, representing transaction with owners, recognised directly in equity	-	61,017	-	274,078	335,095	(254,698)	80,397
At 31 December	917,998	(4,335,057)	2,682,799	65,180,559	64,446,299	1,000,901	65,447,200

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 2021 (continued)

	Share capital	Currency translation reserve	Reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	€	€	€	€	€	€	€
Group							
2020							
At 1 January	917,998	(4,859,628)	2,690,295	62,647,327	61,395,992	1,761,229	63,157,221
Loss for the year	-	-	-	(1,703,632)	(1,703,632)	(70,753)	(1,774,385)
Other comprehensive income:							
- Currency translation difference arising from consolidation of foreign operations	-	(1,209,822)	-	-	(1,209,822)	(168,733)	(1,378,555)
- Remeasurement of defined benefit obligation	-	-	-	(137,997)	(137,997)	-	(137,997)
Total comprehensive income for the year	-	(1,209,822)	-	(1,841,629)	(3,051,451)	(239,486)	(3,290,937)
Reclassification	-	-	(75,658)	75,658	-	-	-
Others	-	-	22,517	-	22,517	-	22,517
Deemed distribution, representing transaction with owners, recognised directly in equity	-	-	(19,253)	-	(19,253)	-	(19,253)
At 31 December	917,998	(6,069,450)	2,617,901	60,881,356	58,347,805	1,521,743	59,869,548

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

Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2021

	Notes	2021 €	2020 €
Operating activities			
Profit/(loss) before tax		10,348,838	(846,439)
Adjustments for:			
Share of results of associates	18	(228,600)	(110,747)
Share of results of joint ventures	17	(162,782)	(104,792)
Amortisation of intangible assets	14	218,644	230,803
Bad debts	7	266,551	596,763
Depreciation of property, plant and equipment	7 & 12	3,801,429	4,285,254
Depreciation of right of use assets	7 & 13	989,103	1,043,177
Gain on disposal of property, plant and equipment	5	(342,972)	(49,849)
Property, plant and equipment written off	7	191,062	-
Interest income	5	(71,308)	(227,304)
Finance costs	6	784,802	696,720
Allowance for/(reversal of) impairment loss on trade receivables	10	140,331	(59,544)
Write back of allowance for impairment loss on trade receivables	10	(227,042)	(37,362)
Allowance for/(write back of) inventories written down	11	241,190	(615,510)
Net decrease in provision		(130,946)	(335,314)
Translation differences		(2,085,558)	820,727
Operating cash flows before changes in working capital		13,732,742	5,286,583
Changes in working capital net of effects from acquisition and disposal of subsidiaries:			
(Increase)/decrease in:			
- inventories		(7,706,785)	5,187,154
- trade and other receivables		(6,798,490)	2,380,456
(Decrease)/increase in:			
- trade and other payables		10,197,223	(1,707,264)
- contract liabilities		655,495	(339,749)
- provisions and other liabilities		(317,482)	(793,966)
Cash flows generated from operations		9,762,703	10,013,214
Tax paid		(1,512,051)	(645,184)
Interest paid		(784,802)	(696,720)
Net cash flows generated from operating activities		7,465,850	8,671,310

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

Ultra Alloys Holdings Pte. Ltd.
and its subsidiaries

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2021 (continued)

	Note	2021 €	2020 €
Investing activities			
Interest received		71,308	227,304
Dividend received from joint ventures		-	236,895
Proceeds from other investment		-	2,663
Proceeds from disposal of intangible assets		4,808	3,088
Proceeds from disposal of property, plant and equipment		1,088,060	303,621
Purchase of other investment		(4,011)	-
Purchase of property, plant and equipment	12	(6,034,120)	(2,579,531)
Purchase of intangible assets	14	(80,004)	(113,374)
Net cash flows used in investing activities		(4,953,959)	(1,919,334)
Financing activities			
Acquisition of non-controlling interest in a subsidiary		(254,698)	-
Repayment of bank borrowings	22	(1,140,613)	(85,656)
Placement of fixed deposits		(251,290)	(430,523)
Repayment of lease liabilities	22	(983,314)	(1,136,485)
Dividend paid to non-controlling interests		(124,184)	-
Net cash flows used in financing activities		(2,754,099)	(1,652,664)
Cash and cash equivalents			
Net (decrease)/increase		(242,208)	5,099,312
At 1 January		12,677,858	7,578,546
At 31 December	9	12,435,650	12,677,858

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 2021

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 2021 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 is 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).

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.

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 2021, 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.

Notes to the Financial Statements (continued)

2. Basis of preparation (continued)

2.5 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021.

- Amendment to FRS 116 *Leases: Covid-19-Related Rent Concessions*
- Amendments to FRS 109 *Financial Instruments*, *FRS* 39 *Financial Instruments: Recognition and Measurement*, FRS 107 *Financial Instruments: Disclosures*, FRS 104 *Insurance Contracts*, FRS 116 *Leases: Interest Rate Benchmark Reform – Phase 2*

The adoption of these new or amended FRS and interpretations of FRS 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.

2.6 New standards and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but not yet effective have not been applied in preparing these financial statements. The Group does not plan to early adopt these standards.

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 116 *Leases (Covid-19 Related Rent Concessions beyond 30 June 2021)*	1 April 2021
Amendments to:	
• FRS 103 *Business Combinations (Reference to the Conceptual Framework*)	1 January 2022
• FRS 16 *Property, Plant and Equipment (Proceeds before Intended Use)*	1 January 2022
• FRS 37 *Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)*	1 January 2022
FRS 117 *Insurance Contracts*	1 January 2023
Amendments to:	
• FRS 1 *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*	1 January 2023
• FRS 1 *Presentation of Financial Statements and* FRS 1 *Practice Statement 2 (Disclosure of Accounting Policies)*	1 January 2023
• FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)*	1 January 2023
• FRS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to:	
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. Significant accounting policies

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 acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

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.

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 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.

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3. Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(i) Business combinations (continued)

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.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(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.

(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.

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3. Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(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.

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.

Notes to the Financial Statements (continued)

3. Significant accounting policies (continued)

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.

(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.

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3. Significant accounting policies (continued)

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 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.

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3. Significant accounting policies (continued)

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.

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 contract 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 modification 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.

3. Significant accounting policies (continued)

3.8 Leases (continued)

When the Group is the lessee: (continued)

- 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.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

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.

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.

3. Significant accounting policies (continued)

3.9 Tax (continued)

Income tax (continued)

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.

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.

3. Significant accounting policies (continued)

3.11 Financial instruments (continued)

Financial assets (continued)

(a) Classification and measurement (continued)

At initial recognition (continued)

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.

- 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".

3. Significant accounting policies (continued)

3.11 Financial instruments (continued)

Financial assets (continued)

(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.

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.

3. Significant accounting policies (continued)

3.11 Financial instruments (continued)

Financial liabilities (continued)

Classification (continued)

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.

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 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.

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3. Significant accounting policies (continued)

3.15 Intangible assets and goodwill (continued)

(ii) Other intangible assets (continued)

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.

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.

3. Significant accounting policies (continued)

3.16 Property, plant and equipment (continued)

(iii) Depreciation (continued)

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.

(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.

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3. Significant accounting policies (continued)

3.17 Impairment of non-financial assets (continued)

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.

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.

Notes to the Financial Statements (continued)

4. Revenue

Revenue of the Group is analysed as follows:

	Group	
	2021	**2020**
	€	€
Segment revenue		
Sales of goods	154,397,329	128,677,459
Service income	12,336,586	13,512,105
	166,733,915	142,189,564

Disaggregation of revenue from contracts with customers:

	Group	
	2021	**2020**
	€	€
Timing of revenue recognition		
At a point in time:		
Sales of goods	154,397,329	128,677,459
Over time:		
Service income	12,336,586	13,512,105
	166,733,915	142,189,564

5. Other income

	Group	
	2021	**2020**
	€	€
Gain on disposal of property, plant and equipment	342,972	49,849
Government grant	93,892	168,142
Interest income	71,308	227,304
Insurance compensation received	-	113,517
Gain on extinguishment of debt*	-	833,466
Gain on capital reduction in subsidiaries**	4,588,416	-
Others	1,245,730	1,332,834
	6,342,318	2,725,112

* In 2020, gain on extinguishment of debt pertains to a wholly owned subsidiary, Welding Alloys USA, Inc. ("WA USA"). Due to an outbreak of COVID-19 in early 2020, the Small Business Administration funded a Payroll Protection Program loan that small business could use to cover payroll, utilities, and certain other expenses during a period either 8 or 24 weeks. If certain provisions were met concerning the usage of the funds, the loan would be partially or fully forgivable. WA USA borrowed US$971,470 (approximately €833,466) and applied for and received full forgiveness in year 2020.

** In 2021, there were capital reduction exercise in both subsidiaries, Welding Alloys France SAS from 3,000 shares to 2,560 shares and Welding Alloys Brazil Limited from 21,869,931 shares to 20,839,576 shares. This exercise has resulted a total gain on capital reduction amounting to €4,588,416 and there is no change of the shareholding in the group.

Notes to the Financial Statements (continued)

6. Finance costs

	Group	
	2021	**2020**
	€	€
Interest expenses on borrowings	171,850	431,178
Interest on lease liabilities	70,150	48,686
Other finance costs	539,025	218,332
Interest on pension	3,777	(1,476)
	784,802	696,720

7. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group	
	2021	**2020**
	€	€
Amortisation of intangible assets	218,644	230,803
Bad debts	266,551	596,763
Depreciation of property, plant and equipment	3,801,429	4,285,254
Depreciation of right of use assets	989,103	1,043,177
Employee benefits expenses:		
- Staff payroll, allowance and incentives	16,308,781	17,171,960
Gain on capital reduction in subsidiaries	(4,588,416)	-
Allowance for/(reversal of) impairment loss on trade receivables	140,331	(59,544)
Loss on foreign exchange	93,073	1,215,319
Property, plant and equipment written off	191,062	-
Write back of loss allowance on trade receivables	(227,042)	(37,362)

8. Tax expense

	Group	
	2021	**2020**
	€	€
Based on results for the financial year:		
Current taxation	2,599,447	784,691
(Over)/under provision in respect of previous financial years		
Current taxation	(24,235)	(631,628)
Temporary differences	97,213	747,412
Foreign tax	12,726	21,727
Withholding tax	11,250	5,744
	2,696,401	927,946

Notes to the Financial Statements (continued)

8. Tax expense (Continued)

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

	Group	
	2021	**2020**
	€	€
Profit/(loss) before tax	10,348,838	(846,439)
Tax calculated at the statutory tax rate 17% (2020: 17%)	1,759,302	(143,893)
Tax effect of non-deductible items	2,134,324	1,464,767
Tax effect of income not subject to tax	(17,662)	(153,967)
Utilisation of previously unrecognised tax losses	(368,730)	(151,012)
Deferred tax not recognised	-	112,531
Tax rebate	(443,749)	(287,184)
Effect of different tax rates of foreign operations	483,718	576,296
Effect on changes in tax laws on deferred tax balances	(45,170)	(8,388)
Over provision for prior year's income tax	(24,235)	(631,628)
Foreign tax	12,726	21,727
Withholding tax	11,250	5,744
Others	(295,786)	122,953
Total effect of tax exemptions	(509,587)	-
Effective tax charge for current financial year	2,696,401	927,946

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	
	2021	**2020**
	€	€
Unabsorbed tax losses	1,075,533	3,244,533

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.

Notes to the Financial Statements (continued)

9. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	€	€	€	€
Cash at bank	15,597,324	16,116,339	257,934	174,353
Cash on hand	171,867	50,746	3	3
Fixed deposits	2,254,591	2,003,301	-	-
Cash and bank balances	18,023,782	18,170,386	257,937	174,356
Bank overdrafts (Note 22)	(3,333,541)	(3,489,227)	-	-
Deposits pledged	(2,254,591)	(2,003,301)	-	-
As disclosed in statement of cash flows	12,435,650	12,677,858	257,937	174,356

(a) Short term deposits bear effective interest rate of 0.3% to 3.45% (2020: 0.1% to 3.3%) per annum and for a tenure of approximately 3 to 12 months (2020: 3 to 12 months).

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

10. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	€	€	€	€
Due from unrelated parties	33,102,303	27,934,365	-	-
Due from related parties	106,816	86,569	-	-
	33,209,119	28,020,934	-	-
Less: Allowance for impairment losses	(546,495)	(657,893)	-	-
	32,662,624	27,363,041	-	-
Other assets	945,881	928,051	62,281	32,835
Accrued revenue	138,741	-	-	-
Advances to:				
- suppliers	877,479	189,349	-	-
- related parties	496,143	475,255	-	-
- staff	29,240	23,441	-	-
Loan to:				
- unrelated parties	-	81	-	-
- staff	13,064	18,914	-	-
Withholding and other tax	3,653,608	3,524,863	-	-
Prepayments	834,468	903,125	5,555	-
Deposits	709,183	315,661	-	-
Other debtors:				
- subsidiaries	-	-	1,778,802	1,777,792
	40,360,431	33,741,781	1,846,638	1,810,627
Current	36,862,693	31,805,116	1,846,638	1,810,627
Non-current	3,497,738	1,936,665	-	-
	40,360,431	33,741,781	1,846,638	1,810,627

10. Trade and other receivables (continued)

The average credit period for trade receivables is approximately 30 to 90 days (2020: 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.

The movements in credit loss allowance are as follows:

	Group	
	2021	**2020**
	€	€
Movement of allowance for impairment loss:		
At 1 January	(657,893)	(958,319)
(Increase)/decrease in allowance recognised in profit or loss	(140,331)	59,544
Amounts written off	24,687	203,520
Amounts recovered	227,042	37,362
At 31 December	(546,495)	(657,893)

(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	
	2021	**2020**
	€	€
Raw materials	20,397,333	15,513,877
Work-in-progress	3,889,336	1,642,393
Packaging material	168,293	1,511,734
Goods in transit	5,553,218	925,314
Finished goods	2,038,215	4,746,292
	32,046,395	24,339,610
Less: Allowance for inventories written down	(3,800,498)	(3,559,308)
	28,245,897	20,780,302
The cost of inventories recognised as an expense amounting to	119,689,049	100,718,072
Allowance for/(reversal of) inventories written down amounting to	241,190	(615,510)

12. Property, plant and equipment

	Land and building €	Plant and machinery €	Motor vehicles €	Computers €	Furniture and fittings €	Office equipment €	Assets under construction €	Others €	Total €
Group									
2021									
At 1 January	37,514,009	52,868,971	2,038,691	934,211	2,584,996	976,321	242,454	235,168	97,394,821
Additions	376,016	2,183,041	57,150	100,720	116,936	57,728	1,302,509	1,840,020	6,034,120
Written-off	-	(421,938)	(12,930)	(376)	(21,263)	(90,278)	-	-	(546,785)
Disposals	(608,319)	(510,899)	(342,166)	(4,508)	(79,090)	(1,920)	(105,264)	(99,561)	(1,751,727)
Reclassification	-	(63,306)	-	(63,806)	(18,105)	62,127	(232,098)	22,273	(292,915)
Currency realignment	441,414	954,105	55,563	10,498	13,661	2,879	78,935	13,496	1,570,551
At 31 December	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
Accumulated depreciation									
At 1 January	15,901,116	41,417,455	1,614,511	845,744	2,060,772	571,719	-	95,572	62,506,889
Depreciation for the year	873,559	2,458,712	174,332	72,473	109,270	83,216	-	29,867	3,801,429
Written-off	-	(203,497)	(44,161)	3,389	(82,703)	(28,751)	-	-	(355,723)
Disposal	(238,687)	(501,841)	(192,811)	(4,306)	(65,872)	(1,244)	-	(1,878)	(1,006,639)
Reclassification	17,776	(43,133)	-	(61,589)	55,036	(1,388)	-	(7,396)	(40,694)
Currency realignment	179,401	734,187	34,289	7,307	21,834	987	-	6,994	984,999
At 31 December	16,733,165	43,861,883	1,586,160	863,018	2,098,337	624,539	-	123,159	65,890,261
Carrying amount									
At 31 December	20,989,955	11,148,091	210,148	113,721	498,798	382,318	1,286,536	1,888,237	36,517,804

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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									
2020									
At 1 January	39,510,906	55,872,310	2,623,957	987,763	2,657,828	1,045,655	99,508	302,397	103,100,324
Additions	455,807	1,676,150	92,138	68,584	105,718	6,113	131,022	43,999	2,579,531
Written-off	(784,859)	(1,698,431)	(337,777)	(74,841)	(47,795)	(60,810)	-	(75,657)	(3,080,170)
Disposals	(21,937)	(276,760)	(102,363)	(7,108)	(2,406)	-	-	(6,955)	(417,529)
Currency realignment	(1,645,908)	(2,704,298)	(237,264)	(40,187)	(128,349)	(14,637)	11,924	(28,616)	(4,787,335)
At 31 December	37,514,009	52,868,971	2,038,691	934,211	2,584,996	976,321	242,454	235,168	97,394,821
Accumulated depreciation									
At 1 January	16,128,378	42,412,054	1,914,652	892,892	2,258,661	548,399	-	90,476	64,245,512
Depreciation for the year	896,206	2,907,972	213,546	71,102	105,859	73,164	-	17,405	4,285,254
Written-off	(550,210)	(1,774,049)	(315,066)	(76,630)	(199,836)	(31,736)	-	(4,501)	(2,952,028)
Disposal	(14,664)	(231,723)	(34,985)	(8,274)	(2,253)	-	-	-	(291,899)
Currency realignment	(558,594)	(1,896,799)	(163,636)	(33,346)	(101,659)	(18,108)	-	(7,808)	(2,779,950)
At 31 December	15,901,116	41,417,455	1,614,511	845,744	2,060,772	571,719	-	95,572	62,506,889
Carrying amount									
At 31 December	21,612,893	11,451,516	424,180	88,467	524,224	404,602	242,454	139,596	34,887,932

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% (2020: 5.46%)

	Office buildings	Plant and machinery	Motor vehicles	Computers	Office equipment	Total
	€	€	€	€	€	€
Group						
2021						
Cost						
At 1 January	2,671,766	1,700,838	1,239,772	60,348	87,053	5,759,777
Additions	181,173	59,093	276,727	-	-	516,993
Modification of lease	-	(16,670)	1,222	-	7,434	(8,014)
End of lease term	-	(50,897)	(253,235)	-	-	(304,132)
Reclassification	109,156	(128,637)	(8,007)	-	30,928	3,440
Currency realignment	(22,792)	10,550	(7,846)	(475)	-	(20,563)
At 31 December	2,939,303	1,574,277	1,248,633	59,873	125,415	5,947,501
Accumulated depreciation						
At 1 January	1,324,141	860,118	680,915	39,060	31,759	2,935,993
Charge for the year	436,317	201,459	323,890	5,435	22,002	989,103
End of lease term	-	(50,897)	(253,234)	-	-	(304,131)
Reclassification	72,162	(82,027)	(3,638)	-	13,503	-
Currency realignment	(58,253)	9,692	(10,597)	(475)	-	(59,633)
At 31 December	1,774,367	938,345	737,336	44,020	67,264	3,561,332
Carrying amount						
At 31 December	1,164,936	635,932	511,297	15,853	58,151	2,386,169

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Notes to the Financial Statements (continued)

13. Right-of-use assets (continued)

	Office buildings	Plant and machinery	Motor vehicles	Computers	Office equipment	Total
	€	€	€	€	€	€
Group						
2020						
Cost						
At 1 January	2,788,990	1,621,050	1,175,473	77,294	57,549	5,720,356
Additions	515,469	100,937	316,303	-	29,504	962,213
Termination of lease	(495,521)	-	(23,506)	(18,151)	-	(537,178)
End of lease term	-	-	(208,576)	-	-	(208,576)
Currency realignment	(137,172)	(21,149)	(19,922)	1,205	-	(177,038)
At 31 December	2,671,766	1,700,838	1,239,772	60,348	87,053	5,759,777
Accumulated depreciation						
At 1 January	1,079,140	633,431	579,239	28,096	11,471	2,331,377
Charge for the year	417,701	251,667	338,803	14,718	20,288	1,043,177
Termination of lease	(111,993)	-	(18,598)	(5,180)	-	(135,771)
End of lease term	-	-	(208,576)	-	-	(208,576)
Currency realignment	(60,707)	(24,980)	(9,953)	1,426	-	(94,214)
At 31 December	1,324,141	860,118	680,915	39,060	31,759	2,935,993
Carrying amount						
At 31 December	1,347,625	840,720	558,857	21,288	55,294	2,823,784

14. Intangible assets

	Rights €	Software €	Others €	Total €
Group				
2021				
At 1 January	93,869	1,640,242	502,144	2,236,255
Additions	32,711	42,970	4,323	80,004
Disposal	-	(4,808)	-	(4,808)
Reclassification	(2,810)	(10)	-	(2,820)
Currency realignment	-	3,649	20,266	23,915
At 31 December	123,770	1,682,043	526,733	2,332,546
Accumulated amortisation				
At 1 January	61,030	1,130,482	479,651	1,671,163
Amortisation for the year	-	198,741	19,903	218,644
Reclassification	(2,810)	(10)	-	(2,820)
Currency realignment	-	1,334	23,126	24,460
At 31 December	58,220	1,330,547	522,680	1,911,447
Carrying amounts				
At 31 December	65,550	351,496	4,053	421,099
2020				
At 1 January	42,194	1,723,849	528,476	2,294,519
Additions	51,675	52,683	9,016	113,374
Disposal	-	-	(2,357)	(2,357)
Written off	-	(125,323)	-	(125,323)
Currency realignment	-	(10,967)	(32,991)	(43,958)
At 31 December	93,869	1,640,242	502,144	2,236,255
Accumulated amortisation				
At 1 January	33,137	1,081,268	491,797	1,606,202
Amortisation for the year	27,893	181,806	21,104	230,803
Disposal	-	-	(786)	(786)
Written off	-	(123,806)	-	(123,806)
Currency realignment	-	(8,786)	(32,464)	(41,250)
At 31 December	61,030	1,130,482	479,651	1,671,163
Carrying amounts				
At 31 December	32,839	509,760	22,493	565,092

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 (2020: 10 years). Software are amortised over their estimated useful lives by the Group, which ranges from 1 to 7 years (2020: 1 to 7 years).

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

Notes to the Financial Statements (continued)

15. Goodwill

	Group	
	2021	**2020**
	€	€
Cost		
At 1 January and 31 December	118,029	118,029
Accumulated impairment		
At 1 January and 31 December	(118,029)	(118,029)
Carrying amount		
At 31 December	-	-

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	
	2021	**2020**
	€	€
USI Site	92,501	92,501
Kram Engineering (Pty) Limited	25,528	25,528
	118,029	118,029

16. Investment in subsidiaries

	Company	
	2021	**2020**
	€	€
Unquoted equity investments, at cost		
At 1 January and 31 December	5,776,068	5,776,068

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	
			2021	**2020**	**2021**	**2020**
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

Notes to the Financial Statements (continued)

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	
			2021	**2020**	**2021**	**2020**
Held by the Company (continued)						
Injection Alloys Global Limited	England	Management of other group companies	100	100	100	100
Welding Alloys (Singapore) Pte. Ltd.	Singapore	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Axis Welding (Singapore) Pte. Ltd.	Singapore	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Held by Welding Alloys Limited						
Welding Alloys France SAS	France	Manufacture and sale of welding consumables, machines and provision of Integra services	100	100	100	100
W A S A (Proprietary) Limited	South Africa	Manufacture and sale of welding consumables and provision of Integra services	74	74	74	74
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 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

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	
			2021	**2020**	**2021**	**2020**
Held by Welding Alloys Limited (continued)						
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
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
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.	Mexico	Manufacture and sale of welding consumables and provision of Integra services	100	100	100	100
Held by Welding Alloys France SAS						
Produr SAS	France	Distribution and sale of hard plates and provision of Integra services	100	100	100	100

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	
			2021	**2020**	**2021**	**2020**
Held by Welding Alloys France SAS						
Welding Alloys Maroc	Morocco	Distribution and sale of welding consumables and provision of Integra services	100	100	100	100
Welding Alloys Espana S.A.	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
Sarl USI-Site	France	Provision of machining services	-	100	-	100
Held by Produr SAS						
SCU L' Arietaz	France	Building rental	100	100	100	100
Held by Welding Alloys Espana S.A.						
Welding Alloys S.L.	Spain	Distribution and sale of hard plates	100	100	100	100
Held by W A S A (Proprietary) Limited						
W A Mzanzi (Pty) Ltd	South Africa	Dormant company	49	49	49	49
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

Notes to the Financial Statements (continued)

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	
			2021	**2020**	**2021**	**2020**
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
Kram Engineering Lda	Mozambique	Distribution and sale of welding consumables and provision of Integra services	-	60	-	60
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	85	85	85	85
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

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	
			2021	**2020**	**2021**	**2020**
Held by Welding Alloys (Far East) Sdn Bhd						
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	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
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
Tianjin Injection Alloys Co. Ltd	China	Ceased operation	100	100	100	100

Notes to the Financial Statements (continued)

16. Investment in subsidiaries (continued)

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	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**
		%	%	€	€	€	€
W A S A (Proprietary) Limited	South Africa	26	26	(155,781)	(189,844)	604,366	1,014,845
Individually immaterial subsidiaries with non-controlling interests				13,821	(49,642)	396,535	506,898
				(141,960)	(239,486)	1,000,901	1,521,743

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	
	2021	**2020**
	€	€
Current assets	3,300,576	3,841,591
Non-current assets	2,225,556	2,571,493
Current liabilities	(1,341,667)	(1,651,545)
Non-current liabilities	(784,869)	(859,005)
Equity attributable to owners of the Company	(2,795,230)	(2,887,689)
Non-controlling interests	604,366	1,014,845
Revenue	6,804,614	8,302,618
Expenses	(7,582,226)	(8,413,823)
Loss for the year	(777,612)	(111,205)
Loss attributable to owners of the Company	(575,433)	(82,292)
Loss attributable to non-controlling interests	(202,179)	(28,913)
Loss for the year	(777,612)	(111,205)
Other comprehensive loss attributable to owners of the Company	132,056	(458,034)
Other comprehensive loss attributable to non-controlling interests	46,398	(160,931)
Other comprehensive loss for the year	178,454	(618,965)
Total comprehensive loss attributable to owners of the Company	(443,377)	(540,326)
Total comprehensive loss attributable to non-controlling interests	(155,781)	(189,844)
Total comprehensive loss for the year	(599,158)	(730,170)

17. Investment in joint ventures

	Group	
	2021	**2020**
	€	€
Equity investments		
As at 1 January	1,521,146	1,701,603
Share of profit of joint ventures	162,782	104,792
Dividend paid/(received)	14,402	(236,895)
Translation differences	7,940	(48,354)
As at 31 December	1,706,270	1,521,146

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	
			2021	**2020**
			%	%
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 Rord, 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.	Manufacture, import, export, trading and distribution of bi-metallic plates	50	50

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	
	2021	2020
	€	€
Current assets	1,424,867	1,215,310
Non-current assets	313,715	325,528
Current liabilities	(50,032)	(51,779)
Non-current liabilities	(274,436)	(287,144)
Net assets	1,414,114	1,201,915
Revenue for the year	2,796,954	2,108,902
Interest income	674	1,627
Profits for the year	227,612	172,096
Share of joint venture's results	113,807	86,048
Dividend received	-	222,511

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	
	2021	2020
	€	€
Net assets of the joint venture	1,414,114	1,201,915
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	707,057	600,957

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	
	2021	**2020**
	€	€
Current assets	1,918,898	1,403,292
Non-current assets	88,878	87,949
Current liabilities	(905,010)	(486,358)
Net assets	1,102,766	1,004,883
Revenue for the year	649,017	403,765
Loss for the year	(13,836)	(58,403)
Share of joint venture's results	(6,918)	(29,202)

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	
	2021	**2020**
	€	€
Net assets of the joint venture	1,102,766	1,004,883
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	551,383	502,442

Notes to the Financial Statements (continued)

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	
	2021	**2020**
	€	€
Current assets	591,988	484,357
Non-current assets	561,815	623,733
Current liabilities	(183,589)	(272,597)
Non-current liabilities	(74,554)	-
Net assets	895,660	835,493
Revenue for the year	1,231,921	1,295,727
Profit for the year	111,787	95,893
Share of joint venture's results	55,893	47,946
Dividend received	14,402	14,384

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	
	2021	**2020**
	€	€
Net assets of the joint venture	895,660	835,493
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.	447,830	417,747

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Notes to the Financial Statements (continued)

18. Investment in associates

	Group		Company	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Equity investments				
As at 1 January	2,265,649	2,250,280	-	-
Addition	-	-	420,740	
Share of associates profits	228,600	110,747	-	-
Dividend received	(37,186)	-	-	-
Translation differences	245,295	(95,378)	-	-
As at 31 December	2,702,358	2,265,649	420,740	-

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	
			2021	**2020**
			%	%
Held by the Company				
Rabbitsoft Limited England	CBI Business Centre 20 Station Road Cambridge CB1 2JD United Kingdom	Software development.	41.81	-
Held by Welding Alloys Singapore Pte. Ltd.				
Reptec De Guatemala, S. A. Guatemala	42 Calle 22-17 Zona 12 Bogeda No. 6, Col. Industrial Santa Elisa 01012, Guatemala	Rendering remunerated services.	50	50
Held by Welding Alloys Limited				
Rabbitsoft Limited England	CBI Business Centre 20 Station Road Cambridge CB1 2JD United Kingdom	Software development.	-	41.81
WA Jidong Wear Resistance Technology Engineering (Tangshan) Co., Ltd. China	No. 539 Xinhua West Rord, 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.

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	
	2021	2020
	€	€
Current assets	2,518,547	1,975,995
Non-current assets	66,433	23,289
Current liabilities	(599,221)	(508,568)
Non-current liabilities	(58,899)	(45,161)
Net assets	1,926,860	1,445,555
Revenue for the year	3,827,204	3,093,864
Interest income for the year	7,794	4,698
Profits for the year	318,473	121,527
Share of associate's results	159,237	60,764

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	
	2021	2020
	€	€
Net assets of the associate	1,926,860	1,445,555
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.	963,430	722,777

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	
	2021	2020
	€	€
Current assets	4,925,085	4,245,650
Non-current assets	737,164	665,964
Current liabilities	(2,875,056)	(2,555,281)
Net assets	2,787,193	2,356,333
Revenue for the year	6,163,064	4,926,151
Interest income for the year	786	10,392
Interest expense for the year	14,812	18,786
Profit for the year	227,145	19,164
Share of associate's results	111,301	9,390

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	
	2021	2020
	€	€
Net assets of the associate	2,787,193	2,356,333
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.	1,365,725	1,154,604

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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	
	2021	**2020**
	€	€
Deferred tax liabilities	(2,262,872)	(1,700,551)
Deferred tax assets	1,557,225	1,637,179
Deferred tax liabilities		
At 1 January	(63,372)	693,611
Amount charged to profit or loss	(657,208)	(747,412)
Translation differences	14,933	(9,571)
At 31 December	(705,647)	(63,372)

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	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Due to unrelated parties	20,569,150	10,630,789	-	-
Due to related parties	37,219	27,005	-	-
	20,606,369	10,657,794	-	-
Other payables:				
- unrelated parties	918,968	1,604,093	-	-
- related parties	5,192,775	5,657,775	5,192,775	5,657,775
- subsidiaries	-	-	1,648,819	1,146,286
Accrued operating expenses	8,465,405	7,041,983	51,750	143,148
Deposits	7,065	7,920	-	-
Amount due to:			-	
- director	10,154	10,160	-	-
- non-controlling shareholders	73,230	73,230	-	-
Loan from unrelated parties	4,092	27,880	-	-
	14,671,689	14,423,041	6,893,344	6,947,209
	35,278,058	25,080,835	6,893,344	6,947,209
Current	29,833,576	18,955,438	1,700,569	1,289,434
Non-current	5,444,482	6,125,397	5,192,775	5,657,775
	35,278,058	25,080,835	6,893,344	6,947,209

Notes to the Financial Statements (continued)

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	
	2021	**2020**
	€	€
Servicing services *(a)*	662,100	246,669
Advances from customers *(b)*	828,406	588,342
	1,490,506	835,011
Analysed as:		
Current	1,480,495	829,958
Non-current	10,011	5,053
	1,490,506	835,011

(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	
	2021	**2020**
	€	€
At 1 January	829,958	1,169,707
Net of receipt from customers and revenue recognised during the year upon entering sales contracts in the same year	1,485,548	835,011
Revenue recognised that was included in the contract liabilities at the beginning of the year	(835,011)	(1,174,760)
At 31 December	1,480,495	829,958

Notes to the Financial Statements (continued)

22. Bank loans and overdrafts

	Group	
	2021	**2020**
	€	€
At amortised cost		
Bank overdrafts (Note 9)	3,333,541	3,489,227
Bank loans	18,611,146	19,751,759
	21,944,687	23,240,986
Less: Amount due for settlement within 12 months	(12,486,464)	(14,554,076)
Amount due for settlement after 12 months	9,458,223	8,686,910

Bank overdrafts are repayable on demand.

The Group have the following significant bank loans, which are secured against certain assets of the respective subsidiaries as at 31 December 2021:

(i) Within the United States, the Group has a €1,438,413 (2020: €1,337,944) revolving line of credit with a financial institution that bears average interest rate at 3.25% (2020: 3.25%) which had an outstanding balance under this revolving demand note of €51,753 (2020: €1,117,136).

(ii) In France, the Group has bank loans of €6,238,481 (2020: €6,609,700). These loans carry an average interest rate of 1.64% (2020: 1.86%) per annum and are repayable within 1 year to 5 years (2020: 1 year to 5 years).

(iii) In Germany, the Group has bank loans of € 823,846 (2020: €1,627,961). These loans carry an average interest rate of 2.73% (2020: 2.62%) per annum and are repayable within 1 year to 6 years (2020: 1 year to 6 years).

(iv) In Japan, the Group has bank loans of €2,249,945 (2020: €2,266,134). These loans carry an average interest rate of 1.12% (2020: 0.85%) per annum and are repayable within 1 year to 12 years (2020: 1 year to 13 years).

(v) In South Africa, the Group has bank loans of € 510,993 (2020: €633,052). These loans carry an average interest rate of 7.75% (2020: 9.75%) per annum and repayable within 10 years (2020: 5 years) approximately.

(vi) In Mexico, the Group has bank loans of €1,094,159 (2020: €1,418,799). These loans carry an average interest rate of 10.29% (2020: 6.16%) per annum and repayable within 3 years (2020: 3 years) approximately.

(vii) In Sweden, the Group has bank loans of €4,151,565. (2020: €4,073,643). These loans carry an average interest rate of 0.29% (2020: 0.29%) per annum and repayable within 23 years (2020: 13 years) approximately.

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 2021 €	Financing cash flows €	New finance leases €	At 31 December 2021 €
Bank loans (Note 22)	19,751,759	(1,140,613)	-	18,611,146
Lease liabilities (Note 23)	2,903,181	(983,314)	512,418	2,432,285
	22,654,940	(2,123,927)	512,418	21,043,431

	At 1 January 2021 €	Financing cash flows €	New finance leases €	At 31 December 2021 €
Bank loans (Note 22)	19,837,415	(85,656)	-	19,751,759
Lease liabilities (Note 23)	3,478,860	(1,136,485)	560,806	2,903,181
	23,316,275	(1,222,141)	560,806	22,654,940

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.

23. Lease liabilities

	Group	
	2021 €	**2020** €
Maturity analysis:		
Not later than one year	907,639	1,027,542
Later than one year and not later than five years	1,599,757	1,901,360
More than five years	52,266	165,940
	2,559,662	3,094,842
Less: Unearned interest	(127,377)	(191,661)
	2,432,285	2,903,181
Analysed as:		
Current	849,359	944,149
Non-current	1,582,926	1,959,032
	2,432,285	2,903,181

The Group does not face significant liquidity risk with regard to its lease liabilities.

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

24. Provisions

	Provision of warranty €	Litigation €	Waste provision €	Other provisions €	Total €
Group					
2021					
At 1 January	346,872	348,243	2,993	1,762,321	2,460,429
Provision for the year	84,940	50,000	-	594,312	729,252
Utilisation of provision	(101,739)	(3,477)	(3,036)	(751,946)	(860,198)
Reclassification	170,773	-	-	(173,162)	(2,389)
Translation difference	6,498	(696)	43	(7,999)	(2,154)
At 31 December	507,344	394,070	-	1,423,526	2,324,940
2020					
At 1 January	716,446	440,794	3,162	1,685,543	2,845,945
Provision for the year	9,262	-	-	736,901	746,163
Utilisation of provision	(375,096)	(70,338)	-	(636,043)	(1,081,477)
Translation difference	(3,740)	(22,213)	(169)	(24,080)	(50,202)
At 31 December	346,872	348,243	2,993	1,762,321	2,460,429

	Group	
	2021	**2020**
	€	€
Current	2,076,283	1,979,141
Non-current	248,657	481,288
	2,324,940	2,460,429

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 a 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 valuation 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 €760,516 (2020: €860,803). The related income recognised in the consolidated statement of comprehensive income amounted to approximately €89,266 (2020: €789,780).

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

Notes to the Financial Statements (continued)

25. Retirement Benefit Obligations (continued)

	Group	
	2021	**2020**
	€	€
In France		
Discount rate	0.34% per annum	0.34% per annum
Wages and salary increase	0%	0%
Retirement age	65 years of age	65 years of age
Method	Projected unit credit	Projected unit credit
In Germany		
Discount rate	1.6% per annum	1.6% per annum
Wages and salary increase	0% per annum	0% 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	
	2021	**2020**
	€	€
Present value of benefit obligation	2,395,536	2,013,948
Fair value of plan assets	(1,635,020)	(1,153,145)
Net pension benefit obligations	760,516	860,803

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

	Group	
	2021	**2020**
	€	€
Current service cost	392,175	19,790
Past service cost and gain from settlements	1,197	(8,815)
Actual contribution		
- Current year	(477,145)	(34,321)
- Over provision in prior years	-	(764,958)
	(477,145)	(799,279)
Net interest expenses	(5,493)	(1,476)
Components of defined benefits costs recognised in profit or loss	(89,266)	(789,780)

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25. Retirement Benefit Obligations (continued)

Movement in provision for pension benefit obligations are as follows:

	Group	
	2021	**2020**
	€	€
At 1 January	2,013,948	1,913,952
Current service cost	392,175	19,790
Interest cost	7,294	15,613
Remeasurement (gains)/losses: Actuarial gains and losses		
- from changes in assumption	(102,578)	69,689
- from experience adjustments	1,364	9,166
- from demographical change	101,960	59,846
Others	21,810	-
Benefits paid	(40,437)	(74,108)
At 31 December	2,395,536	2,013,948

Charges in the fair value of plan assets are as follows

	Group	
	2021	**2020**
	€	€
At 1 January	(1,153,145)	(397,180)
Actual contribution:		
- current year	(477,145)	(34,321)
- over provision in prior years	-	(764,958)
	(477,145)	(799,279)
Interest income	(12,787)	(17,089)
Remeasurement gains - Actuarial gains and losses:		
- Return on plan assets	(16,182)	(704)
Benefits paid	24,239	61,107
At 31 December	(1,635,020)	(1,153,145)

26 Share capital

	Group and Company	
	2021	**2020**
	€	€
Issued and fully paid –		
1,415,781 (2020: 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.

Notes to the Financial Statements (continued)

27. Reserves

	Group	
	2021	**2020**
	€	€
Capital reserve		
At 1 January and 31 December	1,690,383	1,690,383
Merger reserve		
At 1 January	(2,895,643)	(2,476,769)
Movement	-	(19,253)
Transfer to retained earnings	-	(399,621)
At 31 December	(2,895,643)	(2,895,643)
Surplus reserve		
At 1 January	3,360,278	3,106,608
Transfer from retained earnings	124,425	323,963
Movement	20,448	(70,293)
At 31 December	3,505,151	3,360,278
Other reserve		
At 1 January	462,883	370,073
Movement	(79,975)	92,810
At 31 December	382,908	462,883
Total reserves	2,682,799	2,617,901

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.

28. Contingent liabilities

A labour lawsuit was filed against a wholly owned subsidiary, Injection Alloy Mexico Ltd. by one employee who demanded compensation due to his dismissal from the Company. The value of the judgment as of 11 February 2022 is MXN52,153,758 (approximately €2,225,995). Based on the lawsuit, this amount increases by MXN21,588 (approximately €921) each day. As at the date of the financial statements, the hearing date of the lawsuit is yet to be scheduled.

The management is of the view that no provision is necessary for any of the legal suits described above having considered their 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 2021 amounted to €340,872.

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	
		2021	**2020**
		€	€
(i)	Service income	152,072	68,755
(ii)	Management fee paid	203,571	174,174
(iii)	Key management personnel compensation:		
	Wages, salaries, bonuses and fees	358,444	130,615
	Employer's contribution to defined contribution plans	10,980	10,990
		369,424	141,605

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.

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	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Financial assets				
Financial assets measured at amortised cost				
- trade and other receivables*	34,994,876	29,124,444	1,846,638	1,810,627
- cash and cash equivalents	18,023,782	18,170,386	257,937	174,356
- other investments	35,621	31,610	-	-
Total financial assets	53,054,279	47,326,440	2,104,575	1,984,983
Financial liabilities				
Financial liabilities measured at amortised cost				
- trade and other payables	35,278,058	25,080,835	6,893,344	6,947,209
- bank loans and overdrafts	21,944,687	23,240,986	-	-
- lease liabilities	2,432,285	2,903,181	-	-
Total financial liabilities	59,655,030	51,225,002	6,893,344	6,947,209

* 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.

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						
2021						
Trade receivables	10	Performing	Lifetime ECL	32,662,624	-	32,662,624
Trade receivables	10	(a)	Lifetime ECL	546,495	(546,495)	-
Other receivables	10	Performing	12-month ECL	2,332,252	-	2,332,252
				35,541,371	(546,495)	34,994,876
2020						
Trade receivables	10	Performing	Lifetime ECL	27,363,041	-	27,363,041
Trade receivables	10	(a)	Lifetime ECL	657,893	(657,893)	-
Other receivables	10	Performing	12-month ECL	1,761,403	-	1,761,403
				29,782,337	(657,893)	29,124,444

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.

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31. Financial risk management (continued)

(b) Credit risk (continued)

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.

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	
	2021	**2020**
	€	€
By geographical area		
France	8,816,973	7,027,032
Germany	4,134,909	3,116,004
United States	4,039,807	2,397,256
Mexico	4,083,291	2,938,921
South Africa	2,115,791	1,687,281
Others (*)	10,018,348	10,854,440
	33,209,119	28,020,934

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

	Group	
	2021	**2020**
	€	€
By type of customers		
Related parties	106,816	86,569
Unrelated parties	32,555,808	27,276,472
	32,662,624	27,363,041

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.

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, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount €	Total contractual cash flows €	Less than 1 year €	Between 1 and 5 years €
Group				
2021				
Non-derivative financial liabilities				
Bank loans and overdrafts	21,944,687	21,944,687	12,486,464	9,458,223
Lease liabilities	2,432,285	2,432,285	849,359	1,582,926
Trade and other payables	35,278,058	35,278,058	29,833,576	5,444,482
	59,655,030	59,655,030	43,169,399	16,485,631
Non-derivative financial assets				
Trade and other receivables	34,994,876	34,994,876	34,118,448	876,428
Cash and bank balances	18,023,782	18,023,782	18,023,782	-
	53,018,658	53,018,658	52,142,230	876,428
Net exposure	(6,636,372)	(6,636,372)	8,972,831	(15,609,203)
2020				
Non-derivative financial liabilities				
Bank loans and overdrafts	23,240,986	23,240,986	14,554,076	8,686,910
Lease liabilities	2,903,181	2,903,181	944,149	1,959,032
Trade and other payables	25,080,835	25,080,835	18,955,438	6,125,397
	51,225,002	51,225,002	34,453,663	16,771,339
Non-derivative financial assets				
Trade and other receivables	29,124,444	29,124,444	28,847,995	276,449
Cash and bank balances	18,170,386	18,170,386	18,170,386	-
	47,294,830	47,294,830	47,018,381	276,449
Net exposure	(3,390,172)	(3,390,172)	12,564,718	(16,494,890)

Notes to the Financial Statements (continued)

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				
2021				
Non-derivative financial liability				
Trade and other payables	6,893,344	6,893,344	1,700,569	5,192,775
	6,893,344	6,893,344	1,700,569	5,192,775
Non-derivative financial assets				
Trade and other receivables	1,846,638	1,846,638	1,846,638	-
Cash and bank balances	257,937	257,937	257,937	-
	2,104,575	2,104,575	2,104,575	-
Net exposure	(4,788,769)	(4,788,769)	404,006	(5,192,775)
2020				
Non-derivative financial liability				
Trade and other payables	6,947,209	6,947,209	1,289,434	5,657,775
	6,947,209	6,947,209	1,289,434	5,657,775
Non-derivative financial assets				
Trade and other receivables	1,810,627	1,810,627	1,810,627	-
Cash and bank balances	174,356	174,356	174,356	-
	1,984,983	1,984,983	1,984,983	-
Net exposure	(4,962,226)	(4,962,226)	695,549	(5,657,775)

(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	
	2021	**2020**
	€	€
Variable rate instruments		
Financial liabilities	(21,994,687)	(23,240,986)
Net exposure	(21,994,687)	(23,240,986)

A change of 100 basis points (1%) in interest rates would have increased or decreased equity by approximately €182,556 (2020: €192,900) for the Group.

Notes to the Financial Statements (continued)

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 2021, 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 Pound sterling, Chinese renminbi, United States dollars, 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	
	2021	**2020**	**2021**	**2020**
	€	€	€	€
Group				
Pound sterling	3,233,273	2,833,488	1,657,360	1,340,332
Chinese renminbi	140,697	141,355	400,478	781,428
United States dollar	5,700,355	2,480,197	8,971,194	6,082,428
Malaysian ringgit	424,766	238,846	2,344,197	2,237,781
Japanese yen	3,151,309	3,083,029	2,187,543	1,118,304
Russian ruble	51,155	54,720	355,430	303,812

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	
	2021	**2020**
	€	€
Group		
Pound sterling	(157,591)	(149,316)
Chinese renminbi	25,978	64,055
United States dollar	327,084	360,223
Malaysian ringgit	191,943	199,894
Japanese yen	(96,377)	(196,472)
Russian ruble	30,428	24,909

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.

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 2020. 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.

33. Comparative information

The financial statements for prior year were audited by another firm of auditor and are presented for comparative purposes.

35. 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 29 September 2022.

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Ultra Alloys Holdings Pte. Ltd.

Statement of Comprehensive Income
for the financial year ended 31 December 2021

	Sch	2021 €	2020 €
Other income	1	731,125	1,126,196
Administrative expenses	2	(51,243)	(119,591)
Other expenses	3	(74,435)	-
Profit before tax		605,447	1,006,605
Tax expense		(11,250)	(7,500)
Total comprehensive income, representing profit		594,197	999,105

Statement of Changes in Equity
for the financial year ended 31 December 2021

	Share capital €	Retained earnings €	Total equity €
2021			
At 1 January	917,998	(104,156)	813,842
Profit for the year	-	594,197	594,197
At 31 December	917,998	490,041	1,408,039
2020			
At 1 January	917,998	(1,103,261)	(185,263)
Profit for the year	-	999,105	999,105
At 31 December	917,998	(104,156)	813,842

These schedules are prepared for management purposes and do not form part of the financial statements.

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Ultra Alloys Holdings Pte. Ltd.

Supporting Schedules
for the financial year ended 31 December 2021

		2021 €	2020 €
1.	**Other income**		
	Currency exchange gain - net	-	99,800
	Dividend income	731,125	1,026,396
		731,125	1,126,196
2.	**Administrative expenses**		
	Bank charges	1,374	783
	General expenses	-	186
	Legal and professional fees	49,602	118,622
	Subscription fees	267	-
		51,243	119,591
3.	**Other expenses**		
	Currency exchange loss - net	74,435	-

These schedules are prepared for management purposes and do not form part of the financial statements.