

Company Registration Number 358586

Chantrey Vellacott DFK LLP

TUESDAY



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COMPANIES HOUSE

**The Commercial Smelting and Refining
Company Limited**

**Annual report
for the year ended
31 March 2013**

The Commercial Smelting and Refining Company Limited

Annual report

Year ended 31 March 2013

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The Commercial Smelting and Refining Company Limited

Directors' report

Year ended 31 March 2013

The directors present their report and the audited financial statements of the company for the year ended 31 March 2013

Principal activities

The main activity of the company in the year was that of property investment

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors

Market value of land and buildings

In the directors' opinion the market value of the land and buildings is in excess of book value

Results and dividends

The profit for the year after taxation was £292,519 (2012 profit £260,449)

The directors recommend payment of a final dividend of £210,000 (2012 final dividend £210,000)

Directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 March 2013	At 1 April 2012
SI Lebrecht	20,000	20,000
D Winter	20,000	20,000

Mr S Lebrecht and Mr D Winter have a non-beneficial interest in 10,000 ordinary shares held in a trust of which they are trustees

Valuation of investment properties

As explained in note 1 to the financial statements, the company's freehold investment properties have not been included in the balance sheet at open market value as required by the Statement of Standard Accounting Practice No 19 (SSAP 19). The directors are of the opinion that to obtain an open market valuation of the investment properties would not be in the interests of the members

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year

In preparing these financial statements, the directors are required to

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

The Commercial Smelting and Refining Company Limited

Directors' report (continued)

Year ended 31 March 2013

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donations

During the year the company made the following contributions

	2013 £	2012 £
Charitable donations	<u>5,500</u>	<u>5,000</u>

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office
Churchill House
137/139 Brent Street
London
NW4 4DJ

Signed on behalf of the directors


D Winter
Director

Approved by the directors on 3 December 2013

Chantrey Vellacott DFK LLP

The Commercial Smelting and Refining Company Limited

Independent auditor's report to the shareholders of The Commercial Smelting and Refining Company Limited

Year ended 31 March 2013

We have audited the financial statements of The Commercial Smelting and Refining Company Limited for the year ended 31 March 2013 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

Freehold land and buildings owned by the company for investment purposes are included in the financial statements at historical cost. This is not in accordance with Statement of Standard Accounting Practice 19, Accounting for investment properties, which requires investment properties to be included at open market value at the balance sheet date. We are unable to quantify the financial effect of this departure, which misstates the value of investment properties and revaluation reserves in the balance sheet.

In our opinion the subject matter of the foregoing qualification is not material for determining whether the distribution of £210,000 proposed by the company is permitted under the Companies Act 2006.

Qualified opinion on financial statements

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Commercial Smelting and Refining Company Limited

Independent auditor's report to the shareholders of The Commercial Smelting and Refining Company Limited (continued)

Year ended 31 March 2013

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP

ELLIOT HARRIS (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

3. December 2013

The Commercial Smelting and Refining Company Limited

Profit and loss account

Year ended 31 March 2013

	Note	2013 £	2012 £
Turnover		537,224	477,183
Change in stocks of finished goods		(138)	(55)
		<u>537,086</u>	<u>477,128</u>
Raw materials and consumables		186	7,146
Staff costs	2	54,832	54,948
Depreciation written off fixed assets	3	11,299	11,300
Other operating charges		<u>105,021</u>	<u>81,846</u>
Operating profit	3	365,748	321,888
Interest receivable	5	4,503	4,030
		<u>370,251</u>	<u>325,918</u>
Profit on ordinary activities before taxation		370,251	325,918
Tax on profit on ordinary activities	6	77,732	65,469
		<u>292,519</u>	<u>260,449</u>
Profit for the financial year		292,519	260,449
Balance brought forward		6,203,479	6,153,030
Equity dividends paid (FRS 25)		<u>(210,000)</u>	<u>(210,000)</u>
Balance carried forward		<u>6,285,998</u>	<u>6,203,479</u>

The notes on pages 8 to 14 form part of these financial statements.

The Commercial Smelting and Refining Company Limited

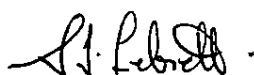
Balance sheet

As at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	8	<u>6,225,058</u>	<u>6,236,357</u>
Current assets			
Stocks	9	225	363
Debtors	10	23,364	29,272
Cash at bank and in hand		<u>358,234</u>	<u>196,490</u>
		<u>381,823</u>	<u>226,125</u>
Creditors' amounts falling due within one year	11	<u>204,883</u>	<u>141,003</u>
Net current assets		<u>176,940</u>	<u>85,122</u>
Total assets less current liabilities		<u>6,401,998</u>	<u>6,321,479</u>
Provisions for liabilities			
Deferred taxation	12	<u>16,000</u>	<u>18,000</u>
		<u>6,385,998</u>	<u>6,303,479</u>
Capital and reserves			
Called up equity share capital	14	100,000	100,000
Profit and loss account		<u>6,285,998</u>	<u>6,203,479</u>
Shareholders' funds		<u>6,385,998</u>	<u>6,303,479</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These accounts were approved by the directors and authorised for issue on 3 December 2013, and are signed on their behalf by



S I Lebrett
Director



D J Winter
Director

Company Registration Number 358586

The notes on pages 8 to 14 form part of these financial statements

The Commercial Smelting and Refining Company Limited

Cash flow statement

Year ended 31 March 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	15	414,372	334,719
Returns on investments and servicing of finance	15	4,503	4,030
Taxation	15	(47,131)	(64,769)
Capital expenditure and financial investment	15	–	(112,991)
Equity dividends paid		(210,000)	(210,000)
Increase/(decrease) in cash	15	<u>161,744</u>	<u>(49,011)</u>

ChantreyVellacottDFKLLP

The notes on pages 8 to 14 form part of these financial statements

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), subject to the departures referred to below

Turnover

Turnover represents amounts receivable for goods sold and rental income during the year, exclusive of value added tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	10% straight line
Fixtures & Fittings	15% straight line

Investment properties

The company's freehold investment properties have not been included in the balance sheet at open market value as recommended by the Statement of Standard Accounting Practice No 19 (SSAP 19). The directors are of the opinion that to obtain an open market valuation of the investment properties would not be in the interests of the members.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view. (5,387)

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

2. Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2013 No	2012 No
Office and management	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	50,000	50,000
Social security costs	<u>4,832</u>	<u>4,948</u>
	<u>54,832</u>	<u>54,948</u>

3. Operating profit

Operating profit is stated after charging

	2013 £	2012 £
Depreciation of owned fixed assets	11,299	11,300
Operating lease - Rent	<u>7,800</u>	<u>7,800</u>
Auditor's fees	<u>5,000</u>	<u>5,000</u>

4 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Aggregate remuneration	<u>50,000</u>	<u>50,000</u>

The remuneration of each director was £25,000 (2012 £25,000)

5. Interest receivable

	2013 £	2012 £
Bank interest receivable	<u>4,503</u>	<u>4,030</u>

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 20%)	80,100	47,500
Over / under provision in prior year	(368)	(31)
Total current tax	<u>79,732</u>	<u>47,469</u>
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	(2,000)	18,000
Tax on profit on ordinary activities	<u>77,732</u>	<u>65,469</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 24% (2012 - 20%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>370,251</u>	<u>325,918</u>
Profit on ordinary activities multiplied by rate of tax	88,860	65,183
Marginal rate relief	(11,199)	-
Timing differences	2,564	(17,635)
Trade losses utilised	(125)	(48)
Adjustment re previous year	(368)	(31)
Total current tax (note 6(a))	<u>79,732</u>	<u>47,469</u>

7 Dividends

Equity dividends

	2013 £	2012 £
Paid		
Ordinary - final paid £2 10 per share (2012 £2 10 per share)	<u>210,000</u>	<u>210,000</u>

A final dividend is proposed for the year ended 31 March 2012 of £2 10 per share

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

8 Tangible fixed assets

	Freehold land and buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2012 and 31 March 2013	<u>6,134,666</u>	<u>112,991</u>	<u>430</u>	<u>6,248,087</u>
Depreciation				
At 1 April 2012	–	11,300	430	11,730
Charge for the year	–	11,299	–	11,299
At 31 March 2013	<u>–</u>	<u>22,599</u>	<u>430</u>	<u>23,029</u>
Net book value				
At 31 March 2013	<u>6,134,666</u>	<u>90,392</u>	<u>–</u>	<u>6,225,058</u>
At 31 March 2012	<u>6,134,666</u>	<u>101,691</u>	<u>–</u>	<u>6,236,357</u>

The above freehold land and buildings includes investment properties at a cost of £6,134,666. No depreciation has been charged on these properties.

9 Stocks

	2013 £	2012 £
Stock	<u>225</u>	<u>363</u>

10 Debtors

	2013 £	2012 £
Other debtors	<u>23,364</u>	<u>29,272</u>

11 Creditors amounts falling due within one year

	2013 £	2012 £
Corporation tax	80,100	47,499
Other taxation	25,467	18,044
Other creditors	99,316	75,460
	<u>204,883</u>	<u>141,003</u>

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

12. Deferred taxation

The movement in the deferred taxation provision during the year was

	2013 £	2012 £
Provision brought forward	18,000	-
Profit and loss account movement arising during the year (note 6)	(2,000)	18,000
Provision carried forward	<u>16,000</u>	<u>18,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	16,000	18,000
	<u>16,000</u>	<u>18,000</u>

13. Related party transactions

The company was under the control of the directors and their families throughout the current and previous year

No transactions with related parties were undertaken such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (effective April 2008)

14. Share capital

Authorised share capital

	2013 £	2012 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid

	2013 No	£	2012 No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

15 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	365,748	321,888
Depreciation	11,299	11,300
Decrease in stocks	138	55
Decrease in debtors	5,908	1,107
Increase in creditors	31,279	369
Net cash inflow from operating activities	<u>414,372</u>	<u>334,719</u>

Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	4,503	4,030
Net cash inflow from returns on investments and servicing of finance	<u>4,503</u>	<u>4,030</u>

Taxation

	2013 £	2012 £
Taxation	<u>(47,131)</u>	<u>(64,769)</u>

Capital expenditure

	2013 £	2012 £
Payments to acquire tangible fixed assets	—	(112,991)
Net cash outflow from capital expenditure	<u>—</u>	<u>(112,991)</u>

Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Increase/(Decrease) in cash in the period	<u>161,744</u>	<u>(49,011)</u>
Movement in net funds in the period	<u>161,744</u>	<u>(49,011)</u>
Net funds at 1 April 2012	<u>196,490</u>	<u>245,501</u>
Net funds at 31 March 2013	<u>358,234</u>	<u>196,490</u>

The Commercial Smelting and Refining Company Limited

Notes to the financial statements

Year ended 31 March 2013

15 Notes to the cash flow statement (*continued*)

Analysis of changes in net funds

	At 1 Apr 2012 £	Cash flows £	At 31 Mar 2013 £
Net cash			
Cash in hand and at bank	196,490	161,744	358,234
Net funds	<u>196,490</u>	<u>161,744</u>	<u>358,234</u>