

Company registration number 01099379 (England and Wales)

**KUBACH & SAMBROOK (METALS) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# KUBACH & SAMBROOK (METALS) LIMITED

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# KUBACH & SAMBROOK (METALS) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	\$	\$	\$	\$
<b>Fixed assets</b>					
Tangible assets	4		25,398		7,469
Investments	5		10		10
			<u>25,408</u>		<u>7,479</u>
<b>Current assets</b>					
Debtors	8	4,669,785		5,138,857	
Cash at bank and in hand		1,365,891		418,110	
		<u>6,035,676</u>		<u>5,556,967</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,629,119)</u>		<u>(3,342,742)</u>	
<b>Net current assets</b>			<u>2,406,557</u>		<u>2,214,225</u>
<b>Net assets</b>			<u>2,431,965</u>		<u>2,221,704</u>
<b>Capital and reserves</b>					
Called up share capital	10		729,039		729,039
Profit and loss reserves			1,702,926		1,492,665
<b>Total equity</b>			<u>2,431,965</u>		<u>2,221,704</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 17 October 2022 and are signed on its behalf by:

Sanjay Doshi  
Director

Company Registration No. 01099379

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Kubach & Sambrook (Metals) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 57 Manor Park Crescent, Edgware, Middlesex, HA8 7LY.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US Dollars (\$), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared on the historical cost convention, modified to include the certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods to customers. The revenue is recognised when the bill of lading is issued.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% on straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.16 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars (US\$) at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the average rate over the year. All differences are taken to profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management	1	1
Administration	5	4
Total	6	5

### 4 Tangible fixed assets

	Fixtures, fittings & equipment
	\$
<b>Cost</b>	
At 1 January 2021	317,043
Additions	20,436
At 31 December 2021	337,479
<b>Depreciation and impairment</b>	
At 1 January 2021	309,574
Depreciation charged in the year	2,507
At 31 December 2021	312,081
<b>Carrying amount</b>	
At 31 December 2021	25,398
At 31 December 2020	7,469

### 5 Fixed asset investments

	Notes	2021 \$	2020 \$
Investment in subsidiary	6	10	10

### 6 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Kubach and Sambrook (South Africa) Proprietary Ltd	South Africa	Ordinary	100.00



# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Financial instruments

	2021	2020
	\$	\$
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,643,370	5,114,599
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,596,124	3,317,490

### 8 Debtors

	2021	2020
	\$	\$
<b>Amounts falling due within one year:</b>		
Trade debtors	3,982,015	4,356,335
Corporation tax recoverable	-	1,813
Amounts owed by group undertakings	33,934	318,779
Other debtors	632,973	443,618
Prepayments and accrued income	20,863	18,312
	4,669,785	5,138,857

Amounts owed by group undertakings are unsecured, interest free and recoverable on demand.

### 9 Creditors: amounts falling due within one year

	2021	2020
	\$	\$
Trade creditors	350,431	39,363
Amounts owed to group undertakings	3,200,000	3,200,000
Taxation and social security	32,995	25,252
Other creditors	32,091	32,091
Accruals and deferred income	13,602	46,036
	3,629,119	3,342,742

Amounts due to group undertakings are unsecured, interest free and recoverable on demand.

### 10 Share capital

	2021	2020
	\$	\$
<b>Issued and fully paid</b>		
538,000 Ordinary shares of £1 each	729,039	729,039

The first 65,000 Ordinary shares of £1 each were converted at \$1.98521 per £ and the remaining 473,000 Ordinary shares of £1 each were converted at \$1.26849 per £.

# KUBACH & SAMBROOK (METALS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Harsheel Dodhia
Statutory Auditor:	KLSA LLP

### 12 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 \$	2020 \$
Within one year	25,050	25,050
Between two and five years	50,100	75,150
	<u>75,150</u>	<u>100,200</u>

### 13 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 \$	2020 \$
Aggregate compensation	<u>147,275</u>	<u>246,953</u>

#### Other information

At the balance sheet date, loan amounting to \$3,200,000 (2020: \$3,200,000) was payable to Novastar Holdings S.A, the parent company.

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with any wholly owned subsidiary undertakings of the group.

### 14 Ultimate controlling party

The company is a wholly owned subsidiary company of Novastar Holdings S.A, a company incorporated in Panama.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.