

Registration number 01476788

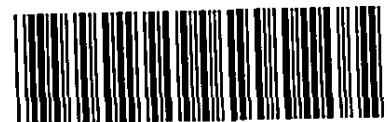
ABS Industrial Resources Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014



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06/06/2015
COMPANIES HOUSE

Pegasus House, 463a Glossop Road, Sheffield S10 2QD Telephone (0114) 266 7141

ABS Industrial Resources Limited

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ABS Industrial Resources Limited
Company Information

Directors	Mr R A Hannam Mr A Jones Mr D Orlov Mr M Ridgeway
Registered office	The Brickworks Kilnhurst Road Kilnhurst Mexborough S64 5TE
Bankers	HSBC Bank plc 35 College Street Rotherham S65 1AF
Auditors	Hawsons Chartered Accountants Statutory Auditors Pegasus House 463a Glossop Road Sheffield S10 2QD

ABS Industrial Resources Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their Strategic Report for the year ended 31 December 2014

Review of the business

Fair review of the business

The performance of the group by activity measured by sales value is set out below

	2014		2013	
	£	%	£	%
Haulage & Packaging	1,604,950	2 27	1,517,321	2 31
Speciality Alloys	68,990,929	97 73	64,095,341	97 69
	<u>70,595,879</u>	<u>100</u>	<u>65,612,662</u>	<u>100</u>

The financial year to December 2014 saw a continuation of the difficult trading conditions seen in 2013. Whilst metal prices (Ni, Co and Mo) have stabilised somewhat, market demand has remained stagnant.

The board has focused its attention during these challenging times on supporting suppliers and customers to ensure a strong base for future growth. During the year the business has consolidated its position within ELG Haniel which it was acquired by in 2013, leveraging the group's place as a world leading metal recycling business. Together, ABS and ELG provide an excellent market offering for all their stakeholders.

Principal risks and uncertainties


The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks are considered to be:

- Global economic recovery, the business buys and sells material globally, and demand and production of scrap is key to business success,
- Metal price movements, the business holds a large quantity of inventory, and movements in metal prices can effect the margins of the business,
- Currency movements, the business holds a large quantity of inventory, and movements in currencies can effect the margins of the business.

As part of its management control, the Board continuously reviews business risks. Furthermore, an external BSI audit of management systems is performed each year as part of the company's ISO9001 accreditation.

Approved by the Board on 20 May 2015

and signed on its behalf by


Mr R A Hannam
Director

ABS Industrial Resources Limited
Directors' Report for the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014

Directors of the company

The directors who held office during the year were as follows

Mr R A Hannam

Mr A Jones

Mr D Orlov

Mr M Ridgeway

Principal activity

The principal activity of the company is the sourcing, processing and supply of primary and secondary alloys and metals. The company also provides haulage services

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hawsons Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Approved by the Board on

20 May 2015

and signed on its behalf by



Mr R A Hannam
Director

ABS Industrial Resources Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent Auditor's Report to the Members of ABS Industrial Resources Limited

We have audited the financial statements of ABS Industrial Resources Limited for the year ended 31 December 2014, set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB's) Ethical Standards for Auditors.

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 Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
ABS Industrial Resources Limited**

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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


Christopher Hill (Senior Statutory Auditor)
For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date

20/5/15

ABS Industrial Resources Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	70,595,879	65,612,662
Cost of sales		<u>(66,043,020)</u>	<u>(62,368,868)</u>
Gross profit		4,552,859	3,243,794
Distribution costs		(881,965)	(1,031,975)
Administrative expenses		(2,244,860)	(2,070,262)
Other operating income		<u>121,067</u>	<u>122,393</u>
Operating profit	3	1,547,101	263,950
Income from shares in group undertakings		559,344	-
Other interest receivable and similar income	7	252,452	247,592
Interest payable and similar charges	8	<u>(587,272)</u>	<u>(642,010)</u>
Profit/(loss) on ordinary activities before taxation		1,771,625	(130,468)
Tax on profit/(loss) on ordinary activities	9	<u>(285,742)</u>	<u>3,386</u>
Profit/(loss) for the financial year	18	<u><u>1,485,883</u></u>	<u><u>(127,082)</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

ABS Industrial Resources Limited
(Registration number: 01476788)
Balance Sheet at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	10	4,005,230	4,255,709
Investments	11	333,081	343,281
		<u>4,338,311</u>	<u>4,598,990</u>
Current assets			
Stocks	12	15,484,035	18,234,248
Debtors	13	20,377,145	18,512,325
Cash at bank and in hand		811,198	4,272
		<u>36,672,378</u>	<u>36,750,845</u>
Creditors Amounts falling due within one year	14	<u>(25,422,006)</u>	<u>(24,619,970)</u>
Net current assets		<u>11,250,372</u>	<u>12,130,875</u>
Total assets less current liabilities		15,588,683	16,729,865
Creditors Amounts falling due after more than one year	15	-	(627,065)
Net assets		<u>15,588,683</u>	<u>16,102,800</u>
Capital and reserves			
Called up share capital	16	25,186	25,186
Share premium account	18	47,468	47,468
Capital redemption reserve	18	17,333	17,333
Profit and loss account	18	15,498,696	16,012,813
Shareholders' funds	19	<u>15,588,683</u>	<u>16,102,800</u>

These financial statements were approved and authorised for issue by the Board on
and signed on its behalf by

20 May 2015



Mr R A Hannam
Director

ABS Industrial Resources Limited
Cash Flow Statement for the Year Ended 31 December 2014

		2014 £	2013 £
Net cash inflow from operating activities	22	6,789,270	15,927,938
Returns on investments and servicing of finance			
Interest received		252,452	247,592
HP and finance lease interest		(2,607)	(7,177)
Interest paid		(584,665)	(634,833)
Dividends received		559,344	-
		224,524	(394,418)
Taxation paid		(245,851)	(524,195)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(144,685)	(166,263)
Sale of tangible fixed assets		19,667	90,724
Sale of investments		10,200	-
		(114,818)	(75,539)
Equity dividends paid		(2,000,000)	-
Net cash inflow before management of liquid resources and financing		4,653,125	14,933,786
Financing			
Repayment of loans and borrowings		(1,116,754)	(506,106)
Repayment of capital element of finance leases and HP contracts		(83,327)	(206,071)
		(1,200,081)	(712,177)
Increase in cash	23	3,453,044	14,221,609
Reconciliation of net cash flow to movement in net debt			
		2014 £	2013 £
Increase in cash		3,453,044	14,221,609
Cash outflow from repayment of loans		1,116,754	506,106
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		83,327	206,071
Change in net debt resulting from cash flows	23	4,653,125	14,933,786
Movement in net debt	23	4,653,125	14,933,786
Net debt at 1 January	23	(3,862,016)	(18,795,802)
Net funds/(debt) at 31 December	23	791,109	(3,862,016)

ABS Industrial Resources Limited
Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Exemption from preparing group accounts

As a wholly owned subsidiary of a company established under the law of an EEA state (see note 25), the company is exempt under section 400 of the Companies Act 2006 from preparing and delivering to the Registrar of Companies consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Revenue is recognised upon despatch of goods.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and buildings	4% straight line
Motor vehicles	20% - 25% reducing balance
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

During the year 81.33% of the company's turnover related to exports (2013 - 77.93%)

An analysis of turnover by geographical location is given below

	2014 £	2013 £
Sales - UK	13,181,629	14,481,604
Sales - Europe	32,969,030	28,224,236
Sales - USA	13,722,030	11,702,556
Sales - Rest of world	10,723,190	11,204,266
	<u>70,595,879</u>	<u>65,612,662</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

3 Operating profit

Operating profit is stated after charging

	2014	2013
	£	£
Operating leases - land and buildings	19,500	19,500
Operating leases - plant and machinery	1,849	1,683
Foreign currency losses	72,489	125,098
Profit on sale of tangible fixed assets	(3,487)	(6,568)
Depreciation of owned assets	340,701	274,574
Depreciation of assets held under finance lease and hire purchase contracts	38,283	69,981
Auditor's remuneration	<u>42,000</u>	<u>42,000</u>

4 Auditor's remuneration

	2014	2013
	£	£
Audit of the financial statements	31,500	31,500
Other fees to auditors		
Other services	<u>10,500</u>	<u>10,500</u>
	<u>42,000</u>	<u>42,000</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2014 No.	2013 No.
Office and management	16	16
Production staff	71	76
	<u>87</u>	<u>92</u>

The aggregate payroll costs were as follows

	2014 £	2013 £
Wages and salaries	3,308,505	3,483,205
Social security costs	90,534	84,193
Staff pensions	55,457	41,835
	<u>3,454,496</u>	<u>3,609,233</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2014 £	2013 £
Remuneration (including benefits in kind)	416,486	488,681
Company contributions paid to money purchase schemes	28,100	25,075
	<u>444,586</u>	<u>513,756</u>

During the year the number of directors who were accruing benefits and share incentives was as follows

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director

	2014 £	2013 £
Remuneration	146,741	144,278
Company contributions to money purchase pension schemes	7,000	5,958
	<u>153,741</u>	<u>150,236</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

7 Other interest receivable and similar income

	2014	2013
	£	£
Other interest receivable	915	1,187
Interest receivable from group companies	<u>251,537</u>	<u>246,405</u>
	<u>252,452</u>	<u>247,592</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

8 Interest payable and similar charges

	2014	2013
	£	£
Interest on bank borrowings	118,841	549,746
Interest on loans from group undertakings	465,824	85,087
Finance charges	2,607	7,177
	<u>587,272</u>	<u>642,010</u>

9 Taxation

Tax on profit/(loss) on ordinary activities

	2014	2013
	£	£
Current tax		
Corporation tax charge/(credit)	270,572	(60,799)
Adjustments in respect of previous years	(24,190)	6,146
UK Corporation tax	246,382	(54,653)
Deferred tax		
Origination and reversal of timing differences	39,360	51,267
Total tax on profit/(loss) on ordinary activities	<u>285,742</u>	<u>(3,386)</u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23%)

The differences are reconciled below

	2014	2013
	£	£
Profit/(loss) on ordinary activities before taxation	<u>1,771,625</u>	<u>(130,468)</u>
Corporation tax at standard rate	380,899	(30,008)
Capital allowances for the period in excess of depreciation	11,899	(1,220)
Corporation tax buffer	(3,563)	13,228
Movement in provision not deductible for tax	(7,572)	(54,492)
Expenses not deductible for tax	9,168	11,693
Prior year adjustment	(24,190)	6,146
Group dividend income	<u>(120,259)</u>	<u>-</u>
Total current tax	<u>246,382</u>	<u>(54,653)</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2014	3,609,980	1,718,409	158,360	1,032,725	6,519,474
Additions	-	142,890	1,795	-	144,685
Disposals	-	-	-	(50,990)	(50,990)
At 31 December 2014	<u>3,609,980</u>	<u>1,861,299</u>	<u>160,155</u>	<u>981,735</u>	<u>6,613,169</u>
Depreciation					
At 1 January 2014	253,665	1,158,016	110,155	741,929	2,263,765
Charge for the year	144,412	151,791	12,051	70,730	378,984
Eliminated on disposals	-	-	-	(34,810)	(34,810)
At 31 December 2014	<u>398,077</u>	<u>1,309,807</u>	<u>122,206</u>	<u>777,849</u>	<u>2,607,939</u>
Net book value					
At 31 December 2014	<u>3,211,903</u>	<u>551,492</u>	<u>37,949</u>	<u>203,886</u>	<u>4,005,230</u>
At 31 December 2013	<u>3,356,315</u>	<u>560,393</u>	<u>48,205</u>	<u>290,796</u>	<u>4,255,709</u>

Leased assets

Included within the net book value of tangible fixed assets is £76,263 (2013 - £202,081) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £38,283 (2013 - £69,981).

11 Investments held as fixed assets

	2014 £	2013 £
Shares in group undertakings and participating interests	332,581	342,781
Other investments	<u>500</u>	<u>500</u>
	<u>333,081</u>	<u>343,281</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

Shares in group undertakings and participating interests

	Subsidiary undertakings £
Cost	
At 1 January 2014	387,771
Disposals	<u>(55,190)</u>
At 31 December 2014	<u>332,581</u>
Provision for impairment	
At 1 January 2014	(44,990)
Eliminated on disposal	<u>44,990</u>
At 31 December 2014	<u>-</u>
Net book value	
At 31 December 2014	<u>332,581</u>
At 31 December 2013	<u>342,781</u>

Other investments

	Unlisted investments £
Cost	
At 1 January 2014	<u>500</u>
At 31 December 2014	<u>500</u>
Net book value	
At 31 December 2014	<u>500</u>
At 31 December 2013	<u>500</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
ABS Alloys and Metals SA (Pty) Limited	Ordinary	100%	Alloy Merchants Registered in South Africa
RS Metals GmbH	Ordinary	100%	Non trading Registered in Germany
Marsmetal SAS	Ordinary	100%	Speciality alloys Registered in France
ABS Alloys & Metals USA LLC	Ordinary	100%	Speciality alloys Registered in USA
Joint ventures			
Steelfreight Limited	Ordinary	50%	Haulage Services Registered in England

The profit for the financial period of ABS Alloys and Metals SA (Pty) Limited was £127,620 and the aggregate amount of capital and reserves at the end of the period was £1,238,644

The profit for the financial period of RS Metals GmbH was £4,485 and the aggregate amount of capital and reserves at the end of the period was £595,294

The profit for the financial period of Marsmetal SAS was £96,887 and the aggregate amount of capital and reserves at the end of the period was £1,192,956

The profit for the financial period of ABS Alloys & Metals USA LLC was £930,370 and the aggregate amount of capital and reserves at the end of the period was £729,618

The profit for the financial period of Steelfreight Limited was £nil and the aggregate amount of capital and reserves at the end of the period was (£241) Other investments represents the cost of 500 x £1 Ordinary shares in Steelfreight Limited, a company jointly controlled with John Truswell & Sons (Garage) Limited Steelfreight Limited provides a mechanism through which the company and John Truswell & Sons (Garage) Limited provide haulage services to common customers

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

12 Stocks

	2014	2013
	£	£
Stocks	<u>15,484,035</u>	<u>18,234,248</u>

13 Debtors

	2014	2013
	£	£
Trade debtors	6,672,287	5,292,618
Amounts owed by group undertakings	12,582,472	12,039,239
Other debtors	667,247	271,314
Deferred tax	7,000	46,360
Prepayments and accrued income	<u>448,139</u>	<u>862,794</u>
	<u>20,377,145</u>	<u>18,512,325</u>

Debtors includes £nil (2013 - £5,357,395) receivable after more than one year

This can be analysed as follows

	2014	2013
	£	£
Amounts owed by group undertakings	<u>-</u>	<u>5,357,395</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 January 2014	46,360
Deferred tax charged to the profit and loss account	<u>(39,360)</u>
At 31 December 2014	<u>7,000</u>

Analysis of deferred tax

	2014	2013
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	8,248	58,250
Other timing differences	<u>(1,248)</u>	<u>(11,890)</u>
	<u>7,000</u>	<u>46,360</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

14 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	2,279,334	2,565,669
Bank loans and overdrafts	-	3,164,698
Obligations under finance lease and hire purchase contracts	20,089	84,725
Amounts owed to group undertakings	20,647,720	16,570,330
Other taxes and social security	129,641	133,500
Other creditors	33,177	51,299
Accruals and deferred income	2,312,045	2,049,749
	<u>25,422,006</u>	<u>24,619,970</u>

15 Creditors: Amounts falling due after more than one year

	2014	2013
	£	£
Bank loans and overdrafts	-	598,174
Obligations under finance lease and hire purchase contracts	-	18,691
Amounts owed to group undertakings	-	10,200
	<u>-</u>	<u>627,065</u>

Obligations under finance leases and HP contracts

Amounts repayable:

	2014	2013
	£	£
In one year or less on demand	20,089	84,725
Between two and five years	-	18,691
	<u>20,089</u>	<u>103,416</u>

The obligations under finance leases and hire purchase contracts are secured upon the assets to which they relate

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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16 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £
Ordinary A shares of £1 each	10,000	10,000	10,000	10,000
Ordinary B shares of £1 each	10,000	10,000	10,000	10,000
Ordinary C shares of £1 each	2,668	2,668	2,668	2,668
Ordinary D shares of £1 each	2,518	2,518	2,518	2,518
	<u>25,186</u>	<u>25,186</u>	<u>25,186</u>	<u>25,186</u>

17 Dividends

	2014 £	2013 £
Dividends paid		
Current year interim dividend paid	<u>2,000,000</u>	<u>-</u>

18 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2014	47,468	17,333	16,012,813	16,077,614
Profit for the year	-	-	1,485,883	1,485,883
Dividends	-	-	(2,000,000)	(2,000,000)
At 31 December 2014	<u>47,468</u>	<u>17,333</u>	<u>15,498,696</u>	<u>15,563,497</u>

19 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit/(loss) attributable to the members of the company	1,485,883	(127,082)
Dividends	<u>(2,000,000)</u>	<u>-</u>
Net reduction to shareholders' funds	(514,117)	(127,082)
Shareholders' funds at 1 January	<u>16,102,800</u>	<u>16,229,882</u>
Shareholders' funds at 31 December	<u>15,588,683</u>	<u>16,102,800</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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20 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £55,457 (2013 - £41,835)

Contributions totalling £5,341 (2013 - £25,293) were payable to the scheme at the end of the year and are included in creditors

21 Commitments

Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2014	2013
	£	£
Other		
Within two and five years	<u>18,417</u>	<u>2,053</u>

22 Reconciliation of operating profit to operating cash flows

	2014	2013
	£	£
Operating profit	1,547,101	263,950
Depreciation, amortisation and impairment charges	378,984	344,555
Profit on disposal of fixed assets	(3,487)	(6,568)
Decrease in stocks	2,750,213	93,118
(Increase)/decrease in debtors	(1,904,711)	4,012,890
Increase in creditors	<u>4,021,170</u>	<u>11,219,993</u>
Net cash inflow from operating activities	<u>6,789,270</u>	<u>15,927,938</u>

ABS Industrial Resources Limited

Notes to the Financial Statements for the Year Ended 31 December 2014

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23 Analysis of net debt

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
Cash at bank and in hand	4,272	806,926	811,198
Bank overdraft	(2,646,118)	2,646,118	-
	<u>(2,641,846)</u>	<u>3,453,044</u>	<u>811,198</u>
Debt due within one year	(518,580)	518,580	-
Debt due after more than one year	(598,174)	598,174	-
Finance leases and hire purchase contracts	(103,416)	83,327	(20,089)
Net funds	<u>(3,862,016)</u>	<u>4,653,125</u>	<u>791,109</u>

24 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

25 Control

The company is controlled by ELG Utica Alloys International GmbH. The ultimate controlling party is Franz Haniel & Cie GmbH. Both are companies incorporated in Germany. Copies of the parent's consolidated financial statements may be obtained from Kremerskamp 16, D-47138 Duisberg, Germany.