

A & M Minerals and Metals Limited

Report and Financial Statements

Year Ended

30 June 2011

Company Number 2427294

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A & M Minerals and Metals Limited

Report and financial statements for the year ended 30 June 2011

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

S S Lim
C A Bloggs

Secretary and registered office

C Bloggs, 29-35 Long Lane, London, SE1 4PL

Company number

2427294

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

A & M Minerals and Metals Limited

Report of the directors for the year ended 30 June 2011

The directors present their report together with the audited financial statements for the year ended 30 June 2011

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend a payment of a final ordinary dividend for the year (2010 - \$Nil)

Principal activities, trading review and future developments

The principal activity of the company is the provision of administrative support services for the group

The directors monitor the business on a timely basis in order to assess performance and manage business risk

Directors

The directors of the company during the year were

S S Lim
C A Bloggs

Financial instruments

The objectives, policies and strategies applied with respect to the management of financial risk are determined by the directors. The principal financial instruments used by the company to finance its operations are cash, bank overdrafts, and secured debt

Foreign currency risk

The company's reporting currency is US dollars. No international trading occurs and no foreign currency risk exists

Interest rate risk

The company's exposure to interest rate fluctuations is constantly monitored. There is no formal policy on bank overdrafts but a variable rate is applied over secured debts

Liquidity risk

The company monitors cash flow on a periodic basis, ensuring that appropriate facilities are available to be drawn on as necessary

Credit risk

The company's trade debtors are not considered significant and arose when the company was previously the main trading entity of the A & M Group. No significant credit risk exists

A & M Minerals and Metals Limited

Report of the directors for the year ended 30 June 2011 (continued)

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 then 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,
- 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of the information needed by the company's auditors for the purposes of their audit and to ensure that the auditors are aware of the information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board


C Bloggs

Secretary

Date 29 September 2011

A & M Minerals and Metals Limited

Independent auditor's report

TO THE MEMBERS OF A & M MINERALS AND METALS LIMITED

We have audited the financial statements of A&M Minerals and Metals Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 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 matters 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.

A & M Minerals and Metals Limited

Independent auditor's report (*continued*)

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

BDO LLP

*Andrew Richardson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date 29 September 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

A & M Minerals and Metals Limited

Profit and loss account for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Turnover	2	2,524,961	2,533,066
Administrative expenses		2,347,154	2,352,662
Operating profit	5	177,807	180,404
Interest receivable - bank interest and similar income		-	601
Interest payable and similar charges	6	(1,300)	(629)
Profit on ordinary activities before taxation		176,507	180,376
Taxation credit/(charge) on profit from ordinary activities	7	18,837	(65,736)
Profit on ordinary activities after taxation	12	195,344	114,640

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

A & M Minerals and Metals Limited

Balance sheet at 30 June 2011

Company number 2427294	Note	2011 \$	2010 \$
Current assets			
Debtors	8	2,413,529	2,344,651
Cash at bank and in hand		134,636	-
		<u>2,548,165</u>	<u>2,344,651</u>
Creditors: amounts falling due within one year	9	1,351,602	1,343,432
		<u>1,196,563</u>	<u>1,001,219</u>
Net assets			
Capital and reserves			
Called up share capital	10	1,059,600	1,059,600
Profit and loss account	11	136,963	(58,381)
		<u>1,196,563</u>	<u>1,001,219</u>
Shareholders' funds	12		
		<u>1,196,563</u>	<u>1,001,219</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2011



C A Bloggs
Director

The notes on pages 7 to 12 form part of these financial statements

A & M Minerals and Metals Limited

Notes forming part of the financial statements for the year ended 30 June 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The financial statements are shown in US dollars as this is the reporting currency of the Group of which A & M Group Limited is the ultimate parent undertaking. The following principal accounting policies have been applied:

Turnover

Turnover represents management charges to group companies.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Operating leases

The annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Foreign currency

Foreign currency transactions are translated at the monthly rate ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. The assets of this scheme are held separately in an independently administered fund.

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

The turnover of the company is derived from management charges to the London based members of the group.

A & M Minerals and Metals Limited

Notes forming part of the financial statements
for the year ended 30 June 2011 *(continued)*

3 Employees

	2011 \$	2010 \$
Staff costs consist of		
Wages and salaries	1,432,491	1,212,447
Social security costs	85,662	74,718
Other pension costs	63,817	46,708
	<u>1,581,970</u>	<u>1,333,873</u>

The average number of employees, including directors, during the year was 9 (2010 - 9)

4 Directors

	2011 \$	2010 \$
Directors' remuneration consists of		
Emoluments	175,383	150,956
Payments to defined contribution pension scheme	11,919	10,472
	<u>187,302</u>	<u>161,428</u>

The company made defined contribution pension payments on behalf of 1 (2010 - 1) director

5 Operating profit

	2011 \$	2010 \$
This has been arrived at after charging/(crediting)		
Auditors' remuneration		
- in respect of audit services	12,147	11,736
- in respect of taxation services	10,195	9,000
Foreign exchange (gains)/losses	<u>(101,048)</u>	<u>124,308</u>

6 Interest payable and similar charges

	2011 \$	2010 \$
Bank loans and overdrafts	<u>1,300</u>	<u>629</u>

A & M Minerals and Metals Limited

Notes forming part of the financial statements
for the year ended 30 June 2011 (*continued*)

7 Taxation on profit from ordinary activities

	2011 \$	2010 \$
<i>Current tax</i>		
UK corporation tax on profit for the year	27,134	65,736
Over provision in respect of previous years	(45,971)	-
	<hr/>	<hr/>
Current tax (credit)/charge for year	(18,837)	65,736
	<hr/>	<hr/>

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The differences are explained below

	2011 \$	2010 \$
Profit on ordinary activities before tax	176,507	180,376
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 27.5% (2010 - 28%)	48,539	50,505
Effects of		
Expenses not deductible for tax purposes	2,326	32,393
Claim of group relief	-	(13,209)
Marginal relief	-	(3,953)
Difference due to foreign exchange	8,681	-
Non taxable income	(32,412)	-
Over provision in respect of previous years	(45,971)	-
	<hr/>	<hr/>
Current tax (credit)/charge for year	(18,837)	65,736
	<hr/>	<hr/>

8 Debtors

	2011 \$	2010 \$
Trade debtors	248	10,774
Amounts due from group undertakings	2,224,760	2,243,575
Other debtors	149,240	32,304
Prepayments and accrued income	39,281	57,998
	<hr/>	<hr/>
	2,413,529	2,344,651
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year

A & M Minerals and Metals Limited

Notes forming part of the financial statements
for the year ended 30 June 2011 (*continued*)

9 Creditors: amounts falling due within one year

	2011 \$	2010 \$
Bank loan and overdrafts (secured)	-	64,734
Trade creditors	351,650	130,565
Amounts owed to group undertakings	-	183,775
Taxation and social security	43,723	139,303
Corporation tax	32,539	65,736
Accruals and deferred income	900,286	757,394
Other creditors	23,404	1,925
	<u>1,351,602</u>	<u>1,343,432</u>

The bank loans and overdrafts are secured on the group's freehold property, stocks and trade debtors, and by cross guarantees with certain other group companies

10 Share capital

	2011 Number	2010 Number	Authorised 2011 \$	2010 \$
Ordinary shares of 10 pence each	<u>50,000,000</u>	<u>50,000,000</u>	<u>8,830,000</u>	<u>8,830,000</u>
	2011 Number	2010 Number	Allotted, called up and fully paid 2011 \$	2010 \$
Ordinary shares of 10 pence each	<u>6,000,000</u>	<u>6,000,000</u>	<u>1,059,600</u>	<u>1,059,600</u>

11 Profit and loss account

	\$
At 1 July 2010	(58,381)
Profit for year	<u>195,344</u>
At 30 June 2011	<u>136,963</u>

A & M Minerals and Metals Limited

**Notes forming part of the financial statements
for the year ended 30 June 2011 (continued)**

12 Reconciliation of movements in shareholders' funds

	2011 \$	2010 \$
Profit for the year	195,344	114,640
Opening shareholders' funds	1,001,219	886,579
	<hr/>	<hr/>
Closing shareholders' funds	1,196,563	1,001,219
	<hr/>	<hr/>

13 Commitments under operating leases

As at 30 June 2011, the company had annual commitments under non-cancellable operating leases in respect of land and buildings as set out below

	2011 \$	2010 \$
In more than five years	74,392	77,498
	<hr/>	<hr/>

The annual lease commitments have been converted to US dollars at the year end

14 Contingent liabilities

The company has a joint and several liability for VAT under a group registration scheme. At the balance sheet date \$13,430 (2010 - \$23,262) was owed to the group by HMRC.

The company has entered into a cross guarantee with certain other group companies to secure the banking arrangements of the group.

15 Related party transactions

At the year end there was an amount payable by A & M Group Limited of \$1,525,055 (2010 - \$714,070)

A management charge of \$2,524,962 (2010 - \$2,533,066) was levied to A & M Minerals Limited, during the year.

Minerals and Metals Limited is a shareholder in A&M Group Limited. At 30 June 2011 the company owed Minerals and Metals Limited \$Nil (2010 - \$2,101)

At 30 June 2011, the company owed to Mr S S Lim \$249,909 (2010 - owed by Mr S S Lim \$44,853). Mr S S Lim is considered to be a related party as he is a director of A&M Minerals and Metals Limited.

At the year end, there was an amount due from A & M Minerals Limited of \$665,145 (2010 - \$1,412,244) and Thornton Processing Limited of \$34,561 (2010 - \$98,152)

At the year end there was an amount due from London Chemical Exports Limited in amount of \$Nil (2010 - \$19,109)

At the year end, there was an amount due to A & M Tungsten Powders Limited of \$Nil (2010 - \$165,586)

All transactions with related parties took place on an arm's length basis and in the ordinary course of business.

A & M Minerals and Metals Limited

Notes forming part of the financial statements for the year ended 30 June 2011 (*continued*)

16 Cash flow statements

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company

17 Ultimate parent company

At the beginning and end of the year the ultimate parent company was A & M Group Limited a company incorporated in England and Wales, which is the parent of both the largest and smallest company in the group of which the company is a member

Copies of the consolidated accounts of A & M Group Limited are available from Apex Yard, 29-35 Long Lane, London, SE1 4PL