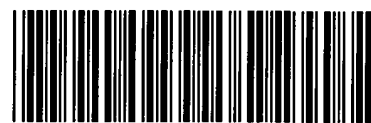


Co's House

Company Registration No. 02849713 (England and Wales)

ASMET (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2016

SATURDAY



A698S0P5

A08

24/06/2017

#210

COMPANIES HOUSE

ASMET (UK) LIMITED

COMPANY INFORMATION

Directors	D Parker I R Copestake
Secretary	D Parker
Company number	02849713
Registered office	Jubilee House 61C Sheffield Road Dronfield Sheffield S18 2HU
Auditor	RSM UK Audit LLP Chartered Accountants 2 Whitehall Quay Leeds LS1 4HG

ASMET (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the year ended 30 September 2016.

Fair review of the business

As forecast last year, 2015 / 2016 continued to be a challenging market, but metals commodity prices have recovered since bottoming in late 2015, and this has resulted in an encouraging performance during the second half of the year. The company continues to retain a strong market share by meeting customers' long term contract requirements for key raw materials and specialised products, and providing a high level of customer service, technical support and consultancy.

In 2016, the company's strategy was underpinned by focusing on a number of key financial performance measures that have assisted in an improvement in the working capital position. The principal key performance indicators of the company are turnover, gross profit, operating profit and stock as disclosed in the financial statements. In addition, particular attention is paid to credit risk and debtor days, which are monitored regularly.

Turnover

Sales revenue reduced from 2015, mainly due to lower commodity prices.

Gross Profit

There has been an increase in gross profit and gross profit margin.

Operating Profit

Operating profit has increased year on year as a direct result of the higher gross profit levels highlighted above and a significant reduction in overheads due to previous years' investments and operational changes which now enable the business to move forward with a lower cost base.

Stock

There has been a significant decrease in stock inventories from 2015, mainly due to lower commodity prices, timing of arrival of new shipments and the sale of slow moving stock.

Debtors

Debtor days have increased compared to 2015, but the increase is mainly covered by alternative payment terms secured through the bank.

Principal risks and uncertainties

The business is exposed to future commodity price and exchange rate movements which may have a detrimental impact on turnover and profitability.

ASMET (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Financial instruments

Objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to credit and liquidity risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Liquidity risk

Working capital and liquidity is managed as part of day to day business routines and as such the company has no significant concentrations of liquidity risk.

Cash flow risk

The company currently does not have an overdraft facility and the directors do not consider there to be any material cash flow risks.

Credit risk

The company continues to closely manage credit risk and enforce strict credit control through a comprehensive Coface credit insurance policy with limited exposure to high risk customers. Pleasingly, to date, the company has experienced no new bad debts.

Price risk

The management of the company regularly review market prices and manage the purchase of stock and its selling prices accordingly and therefore with the controls in place the directors do not feel that price risk is a major concern.

Future developments

The company will continue to follow our long-term strategy of continually expanding our product range into new markets and industries.

Many foundries are also in a better position than a year ago and UK exporters are benefitting from the weak pound. Therefore, we forecast a slightly improved performance in 2016 / 2017.

On behalf of the board



D Parker

Director

14 June 2017

ASMET (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their annual report and financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the company continued to be that of procurement, production, logistics management and supply of metallurgical consumables and specialist products to the iron, steel and aluminum industry and provision of comprehensive technical support and consultancy for improved metallurgical process control.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Parker
I R Copestake

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

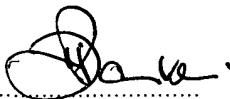
Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



D Parker
Director

14 June 2017

ASMET (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors are responsible for preparing the Strategic Report and 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 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;
- 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 ASMET (UK) LIMITED

Opinion on financial statements

We have audited the financial statements on pages 6 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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.

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement 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.

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.

Hugh Fairclough

Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds

LS1 4HG

23 June 2017

ASMET (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	12,510,944	15,755,783
Cost of sales		(11,037,115)	(14,491,057)
Gross profit		1,473,829	1,264,726
Administrative expenses		(943,206)	(1,055,036)
Operating profit before exceptional items		530,623	209,690
Exceptional costs	4	-	(1,340,145)
Operating profit/(loss)	5	530,623	(1,130,455)
Interest receivable and similar income	9	10,012	-
Interest payable and similar charges	10	(63,656)	(84,460)
Other gains and losses	11	192,435	85,818
Profit/(loss) on ordinary activities before taxation		669,414	(1,129,097)
Taxation	12	(86,587)	(246,633)
Profit/(loss) for the financial year	24	582,827	(1,375,730)

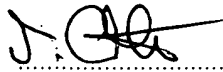
ASMET (UK) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	13		57,692		80,958
Investments	14		688,353		495,818
			<u>746,045</u>		<u>576,776</u>
Current assets					
Stocks	15	4,694,846		7,056,560	
Debtors	16	3,950,318		2,989,920	
Cash at bank and in hand		798,011		3,282,103	
		<u>9,443,175</u>		<u>13,328,583</u>	
Creditors: amounts falling due within one year	17	<u>(1,554,303)</u>		<u>(5,830,891)</u>	
Net current assets			<u>7,888,872</u>		<u>7,497,692</u>
Total assets less current liabilities			<u>8,634,917</u>		<u>8,074,468</u>
Creditors: amounts falling due after more than one year	18		(48,000)		(96,000)
Provisions for liabilities	20		(25,622)		-
Net assets			<u>8,561,295</u>		<u>7,978,468</u>
Capital and reserves					
Called up share capital	23		330,000		330,000
Profit and loss reserves	24		8,231,295		7,648,468
Total equity			<u>8,561,295</u>		<u>7,978,468</u>

The financial statements were approved by the board of directors and authorised for issue on 14.6.17 and are signed on its behalf by:



D Parker
Director



I R Copestake
Director

ASMET (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 2014		330,000	-	7,684,053	8,014,053
Year ended 30 September 2015:					
Loss and total comprehensive income for the year		-	-	(1,375,730)	(1,375,730)
Issue of share capital	23	2	1,340,143	-	1,340,145
Cancellation of shares	23	(2)	(1,340,143)	1,340,145	-
Balance at 30 September 2015		330,000	-	7,648,468	7,978,468
Year ended 30 September 2016:					
Profit and total comprehensive income for the year		-	-	582,827	582,827
Balance at 30 September 2016		330,000	-	8,231,295	8,561,295

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

Asmet (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Jubilee House, 61C Sheffield Road, Dronfield, Sheffield, S18 2HU.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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 sterling, 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 under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

First time adoption of FRS 102

These financial statements are the first financial statements of Asmet (UK) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Asmet (UK) Limited for the year ended 30 September 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 29.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Asmet Limited. These consolidated financial statements are available from its registered office, Jubilee House, 61C Sheffield Road, Dronfield, Sheffield, S18 2HU.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

Going concern

Having carried out a detailed review of the company's resources, the directors are satisfied that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. On this basis, the financial statements have been prepared on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Tangible fixed assets

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

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

Leasehold property	2% - 5% straight line
Fixtures and fittings	15% - 25% reducing balance
Equipment	25% - 33% reducing balance
Motor vehicles	25% straight line

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

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 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 trade debtors, loans to fellow group companies and other debtors, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including other investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank overdrafts, other loans and loans from fellow group companies, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Exceptional items

Exceptional items are material items which derive from events or transactions that fall within the ordinary activities of the company and which individually, or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of investments

The company makes an estimate of the valuation of its investments. When assessing the valuation of the investments management uses an open market basis by reference to market evidence of transaction prices for similar investments. See note 14 for the valuation of the investments.

Impairment of stocks

The company procures, produces and manages supply of metallurgical consumables and specialist products to the iron, steel and aluminium industry and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the stocks and the associated provisioning required. When calculating the stock provision, management considers the nature of the stock, as well as applying assumptions around anticipated saleability of finished goods. Management have considered and concluded that no provision is required, therefore see note 15 for the net carrying amount of stocks.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors which is inclusive of any impairment provision.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Turnover

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Procurement, production, logistics management and supply of metallurgical consumables and specialist products	12,510,944	15,755,783

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	10,621,520	12,217,311
Overseas	1,889,424	3,538,472
	12,510,944	15,755,783

4 Exceptional costs

	2016 £	2015 £
Settlement cost	-	1,340,145

During the prior year the company reported exceptional costs of £1,340,145 due to the settlement of the company's liabilities due to HM Revenue & Customs (HMRC). The liabilities were due to the company's investment in separate partnerships and relate to previous tax liabilities that would have arisen had the investments not been in place.

The costs were considered to be exceptional as they were one off costs with HMRC which were settled during the prior year and therefore are exceptional by both their size and incidence.

5 Operating profit/(loss)

	2016 £	2015 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses/(gains)	13,502	(97,615)
Depreciation of owned tangible fixed assets	26,641	34,971
Loss on disposal of tangible fixed assets	6,005	-
Loss on disposal of fixed asset investments	-	69,500
Cost of stocks recognised as an expense	11,037,115	14,491,057
Operating lease charges	3,445	3,445

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

6 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	12,500	12,500

7 Employees

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

	2016 Number	2015 Number
Number of administrative staff	11	11

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	462,958	478,421
Social security costs	62,045	53,550
Pension costs	33,325	35,633
	558,328	567,604

8 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	90,003	60,000

9 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	10,010	-
Other interest income	2	-
Total income	10,012	-

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

10 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and loans	61,835	54,995
Other interest on financial liabilities	1,821	29,465
	<u>63,656</u>	<u>84,460</u>

11 Other gains and losses

	2016 £	2015 £
Fair value gains on financial instruments		
Change in value of financial assets held at fair value through profit or loss	192,435	85,818
	<u>192,435</u>	<u>85,818</u>

12 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	54,219	82,909
Adjustments in respect of prior periods	2,926	(93,377)
Total current tax	<u>57,145</u>	<u>(10,468)</u>
Deferred tax		
Origination and reversal of timing differences	28,869	257,101
Changes in tax rates	573	-
Total deferred tax	<u>29,442</u>	<u>257,101</u>
Total tax charge	<u>86,587</u>	<u>246,633</u>

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015 and the Finance Bill 2016 on 6 September 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

12 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Profit/(loss) before taxation	669,414	(1,129,097)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.50%)	133,883	(231,449)
Tax effect of expenses that are not deductible in determining taxable profit	11,631	578,373
Tax effect of utilisation of tax losses not previously recognised	-	(94)
Adjustments in respect of prior years	2,926	(93,377)
Effect of change in corporation tax rate	(4,521)	(6,410)
Group relief	(56,057)	-
Effect of revaluations of investments	(3,097)	-
Fixed asset differences	1,822	-
Small companies rate relief	-	(410)
Taxation for the year	86,587	246,633

13 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2015	15,646	156,841	345,009	116,744	634,240
Additions	-	-	1,380	24,000	25,380
Disposals	(15,646)	-	-	(56,370)	(72,016)
At 30 September 2016	-	156,841	346,389	84,374	587,604
Depreciation and impairment					
At 1 October 2015	6,536	152,329	312,681	81,736	553,282
Depreciation charged in the year	-	1,128	6,598	18,915	26,641
Eliminated in respect of disposals	(6,536)	-	-	(43,475)	(50,011)
At 30 September 2016	-	153,457	319,279	57,176	529,912
Carrying amount					
At 30 September 2016	-	3,384	27,110	27,198	57,692
At 30 September 2015	9,110	4,512	32,328	35,008	80,958

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

14 Fixed asset investments

	2016 £	2015 £
Investments in commodities	688,353	495,818

Fixed asset investments revalued

Investments in commodities with a carrying amount of £495,818 were revalued at 30 September 2016 on the basis of market value.

Movements in fixed asset investments

	Investments in commodities £
Cost or valuation	
At 1 October 2015	495,818
Additions	100
Valuation changes	192,435
At 30 September 2016	688,353
Carrying amount	
At 30 September 2016	688,353
At 30 September 2015	495,818

15 Stocks

	2016 £	2015 £
Finished goods and goods for resale	4,694,846	7,056,560

16 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,690,566	2,906,475
Amounts owed by group undertakings	118,604	-
Other debtors	124,788	10,079
Prepayments and accrued income	16,360	69,546
	3,950,318	2,986,100
Deferred tax asset (note 21)	-	3,820
	3,950,318	2,989,920

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

17 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Pension loan (unsecured)	19	657,438	1,205,873
Pension loan (secured)	19	48,061	144,061
Bank loans and overdrafts	19	23,323	13,604
Other loans (unsecured)	19	-	360,000
Trade creditors		261,494	1,568,635
Amounts due to group undertakings		-	1,887,999
Corporation tax		57,091	339,041
Other taxation and social security		260,367	97,875
Other creditors		1,988	255
Accruals and deferred income		244,541	213,548
		<u>1,554,303</u>	<u>5,830,891</u>

18 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Pension loan (secured)	19	<u>48,000</u>	<u>96,000</u>

19 Borrowings

	2016 £	2015 £
Pension loan (unsecured)	657,438	1,205,873
Pension loan (secured)	96,061	240,061
Bank overdrafts	23,323	13,604
Other loans (unsecured)	-	360,000
	<u>776,822</u>	<u>1,819,538</u>
Payable within one year	728,822	1,723,538
Payable after one year	<u>48,000</u>	<u>96,000</u>

The pension loan comprises of two elements. £657,438 of the loan is repayable within one year and is unsecured. The remainder of the loan, £96,061, is repayable in equal annual instalments of £48,000 and as such £48,000 is falling due after more than one year. The loan attracts interest at a rate of 4.5% and is due for repayment by 28 January 2018.

The secured element of the pension loan has been secured as a second charge against the property of the parent undertaking

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

20 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	21	25,622	-
		<u>25,622</u>	<u>-</u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Balances:				
Decelerated capital allowances	(4,460)	-	-	3,820
Investments	30,082	-	-	-
	<u>25,622</u>	<u>-</u>	<u>-</u>	<u>3,820</u>
				2016 £
Movements in the year:				
Asset at 1 October 2015				(3,820)
Charge to profit or loss				29,442
				<u>25,622</u>
Liability at 30 September 2016				<u>25,622</u>

22 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>33,325</u>	<u>35,633</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

23 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
165,000 Ordinary C of £1 each	165,000	165,000
165,000 Ordinary P of £1 each	165,000	165,000
	<u>330,000</u>	<u>330,000</u>

All ordinary shares constitute 100% of the voting rights of the company, with the shares carrying equal voting rights.

24 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

25 Financial commitments, guarantees and contingent liabilities

The assets held as security formally charged to the bank are cross company unlimited guarantees held with Asmet Limited. The assets also secure the overdrafts of Asmet Limited.

26 Operating lease commitments

Lessee

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

	2016 £	2015 £
Within one year	3,445	3,445
Between two and five years	1,723	5,168
	<u>5,168</u>	<u>8,613</u>

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

27 Related party transactions

Included within creditors due within one year are unsecured pension loans of £657,438 (2015 - £1,205,873) and unsecured director's family loans of £nil (2015 - £360,000) at market rates of interest. During the year repayments were made on the unsecured pension loans of £548,435 and on the director's family loans of £360,000, which are presented in other loans (unsecured) in note 17. The unsecured loans are all repayable on demand.

Included within creditors due within one year are secured pension loans of £48,061 (2015 - £144,061) and included within creditors due after more than one year are secured pension loans of £48,000 (2015 - £96,000). During the year repayments were made on the secured pension loans of £144,000. These loans have been secured as a second charge against the property and attract interest at a rate of 4.5%. The pension loan is repayable in instalments over 4 years.

28 Ultimate parent company

Asmet Limited is the immediate parent, and is the smallest and largest group for which consolidated accounts including the Asmet (UK) Limited are prepared. The consolidated accounts of Asmet Limited are available from its registered office, Jubilee House, 61C Sheffield Road, Dronfield, Sheffield, S18 2HU.

29 Reconciliations on adoption of FRS 102

Reconciliation of equity

		1 October 2014	30 September 2015
	Notes	£	£
Equity as reported under previous UK GAAP		8,014,053	7,892,650
Adjustments arising from transition to FRS 102:			
Fair value of investments	a)	-	85,818
Equity reported under FRS 102		8,014,053	7,978,468

ASMET (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

29 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of loss

	Notes	2015 £
Loss as reported under previous UK GAAP		(1,461,548)
Adjustments arising from transition to FRS 102:		
Fair value of investments	a)	<u>85,818</u>
Loss reported under FRS 102		<u><u>(1,375,730)</u></u>

Notes to reconciliations on adoption of FRS 102

a) Fair value of investments

In accordance with FRS 102 the company is holding its investment at valuation. At 30 September 2015, investments with a carrying amount of £410,000 were revalued at £495,818 on the basis of market value.

As such, the fair value gain of £85,818 on the investment has been recognised in profit and loss in the year ended 30 September 2015.