

**ASMET (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2014**

**Company Registration Number 02849713**

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**ASMET (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**ASMET (UK) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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<b>The board of directors</b>	D Parker IR Copestake
<b>Business address</b>	Jubilee House 61C Sheffield Road Dronfield Sheffield S18 2HU
<b>Registered office</b>	Jubilee House 61C Sheffield Road Dronfield Sheffield S18 2HU
<b>Auditor</b>	Baker Tilly UK Audit LLP Chartered Accountants 2 Whitehall Quay Leeds LS1 4HG

**ASMET (UK) LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**Fair review of the business**

As forecast last year, 2013 / 2014 remained a challenging market due to depressed industrial metals commodity prices, but 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 the latter half of the year, significant investment has been made in marketing and sales campaigns to European markets supported by recruitment and increased stock inventory.

Further decreases in many commodities prices in the second half of 2014 present another challenging market in 2015, and consequently we forecast that turnover and profitability will be lower in 2014 / 2015.

**Key Performance Indicators**

In 2014, 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 at board level.

**Turnover**

Sales revenue reduced from 2013, due to lower prices and volumes on some commodity products.

**Gross Profit**

As forecast in 2013, there has been a decrease in gross profit but gross profit margin has held up well.

**Operating Profit**

Operating profit has slightly decreased year on year as a direct result of the lower gross profit levels highlighted above. The Company has continued to focus on reducing the level of operating costs in the business. Provisions for taxation have resulted in a loss for the year after taxation.

**Stock**

There has been a significant increase in stock inventories from a historically low level in 2013, due to the timing of major shipments arriving in the final quarter and a significant increase in inventory in our European hubs.

**Debtors**

Debtor days have been consistent throughout the year with debtor levels in line with 2013.

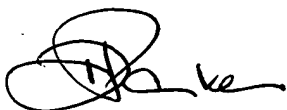
**ASMET (UK) LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**Future developments**

The Company will continue to develop our product range to complement our current product portfolio. Resources will be targeted at increasing sales from all our European hubs culminating in exhibiting at GIFA in Germany in June 2015.

Signed on behalf of the directors



D Parker

Director

Approved by the directors on 24.4.15

**ASMET (UK) LIMITED**  
**DIRECTORS REPORT** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2014**

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The directors present their report and the financial statements of the company for the year ended 30 September 2014.

**Results and dividends**

The loss for the year, after taxation, amounted to £397,805. The directors have not recommended a dividend.

**Financial instruments**

Details of the company's financial risk management objectives and policies are included in note 17 to the financial statements.

**Directors**

The directors who served the company during the year were as follows:

D Parker  
I R Copestake

**Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

In so far as the directors are, individually, aware:

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

**ASMET (UK) LIMITED**  
**DIRECTORS REPORT** *(continued)*  
**YEAR ENDED 30 SEPTEMBER 2014**

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**Donations**

During the year the company made the following contributions:

	<b>2014</b>	<b>2013</b>
	£	£
Charitable	<u>365</u>	<u>630</u>

**Strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report:

**Auditor**

Baker Tilly UK Audit LLP are deemed to be re appointed under section 487(2) of The Companies Act 2006.

Signed on behalf of the directors



D Parker

Director

Approved by the directors on 24.4.15

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASMET (UK) LIMITED**

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We have audited the financial statements on pages 8 to 20. 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 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.

### **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 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 September 2014 and of its loss 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 MEMBER OF  
ASMET (UK) LIMITED (CONTINUED)**

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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

*Baker Tilly UK Audit LLP*

Paul Langhorn (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
West Yorkshire  
LS1 4HG

*29/4/15*

**ASMET (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2014**

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<b>Turnover</b>	2	17,469,710	19,680,960
Cost of sales		(15,734,859)	(17,813,720)
<b>Gross profit</b>		<u>1,734,851</u>	<u>1,867,240</u>
Administrative expenses		(1,452,692)	(1,100,102)
<b>Operating profit</b>	3	<u>282,159</u>	<u>767,138</u>
Interest receivable		10,201	—
Interest payable and similar charges	6	(68,605)	(127,570)
<b>Profit on ordinary activities before taxation</b>		<u>223,755</u>	<u>639,568</u>
Tax on profit on ordinary activities	7	(621,560)	(198,983)
<b>(Loss)/profit for the financial year</b>		<u>(397,805)</u>	<u>440,585</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.


**ASMET (UK) LIMITED**  
Registered Number 02849713

**BALANCE SHEET**

**YEAR ENDED 30 SEPTEMBER 2014**

<b>Fixed assets</b>			
Tangible assets	8	109,993	94,592
Investments	9	69,500	69,500
		<u>179,493</u>	<u>164,092</u>
<b>Current assets</b>			
Stocks	10	9,703,130	7,310,417
Debtors	11	4,119,228	4,386,519
Cash at bank		554,663	4,461,553
		<u>14,377,021</u>	<u>16,158,489</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(5,943,461)</u>	<u>(7,910,723)</u>
<b>Net current assets</b>		8,433,560	8,247,766
<b>Total assets less current liabilities</b>		<u>8,613,053</u>	<u>8,411,858</u>
<b>Creditors: Amounts falling due after more than one year</b>	14	(144,000)	—
<b>Provisions for liabilities</b>			
Other provisions	16	(455,000)	—
		<u>8,014,053</u>	<u>8,411,858</u>
<b>Capital and reserves</b>			
Called-up share capital	21	330,000	330,000
Profit and loss account	22	7,684,053	8,081,858
<b>Shareholder's funds</b>	23	<u>8,014,053</u>	<u>8,411,858</u>

These accounts were approved by the directors and authorised for issue on 24.4.15, and are signed on their behalf by:

  
D Parker

  
I R Copestake

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and in accordance with applicable accounting standards.

**Going concern**

Having carried out a detailed review of the company's resources and the current economic climate, 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.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a subsidiary, where 90 per cent or more of the voting rights are controlled within the group and the parent company has prepared publicly available consolidated financial statements which include a consolidated cash flow statement incorporating the company's cash flows.

**Turnover**

Turnover represents amounts chargeable net of value added tax, in respect of the sale of goods to customers. Turnover is recognised at the point at which the company has discharged its obligations under the terms of the sales contract i.e. point of dispatch.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Investments**

Long term investments are classified as fixed assets.

Fixed asset investments are stated at cost in the company balance sheet.

Provision is made for any impairment in the value of fixed asset investments.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Long Leasehold land and buildings	- 2 - 5% Straight Line
Fixtures & Fittings	- 15% - 25% Reducing Balance
Motor vehicles	- 25% Straight Line
Equipment	- 25% - 33% Reducing Balance

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**1. Accounting policies (*continued*)**

**Stocks**

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.

**Operating lease agreements**

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

**Pension costs**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Employee benefit trusts**

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefits from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

The company did not retain any future economic benefits from, or had de facto control of the assets and liabilities of any trusts in the year.

**Deferred taxation**

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

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

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

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**1. Accounting policies (*continued*)**

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

**Financial instruments**

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument.

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account. Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

**2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	14,137,767	15,437,822
Overseas	3,331,943	4,243,138
	<u>17,469,710</u>	<u>19,680,960</u>

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**3. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	33,537	30,505
Loss/(profit) on disposal of fixed assets	1,895	(6,023)
Operating lease costs:		
-Other	16,800	16,800
Net loss on foreign currency translation	205	566
Auditor's remuneration - audit of the financial statements	11,250	10,000
Auditor's remuneration - other fees	<u>4,750</u>	<u>3,000</u>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - audit of the financial statements	<u>11,250</u>	<u>10,000</u>
Auditor's remuneration - other fees:		
- Taxation compliance services	3,000	3,000
- Financial statements preparation	<u>1,750</u>	<u>-</u>
	<u>4,750</u>	<u>3,000</u>

**4. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to:

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	561,550	463,240
Social security costs	63,177	68,051
Other pension costs	<u>53,097</u>	<u>105,271</u>
	<u>677,824</u>	<u>636,562</u>

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**5. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<u>60,000</u>	<u>116,889</u>

**6. Interest payable and similar charges**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	18,483	94,162
Other similar charges payable	<u>50,122</u>	<u>33,408</u>
	<u>68,605</u>	<u>127,570</u>



**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**7. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
In respect of the year:		
UK Corporation tax	134,213	163,600
Under provision in prior year	470,770	13,009
	<u>604,983</u>	<u>176,609</u>
Deferred tax:		
Origination and reversal of timing differences	16,577	22,374
Tax on profit on ordinary activities	<u>621,560</u>	<u>198,983</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22% (2013 - 23.50%).

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Profit on ordinary activities before taxation	<u>223,755</u>	<u>639,568</u>
Profit on ordinary activities by rate of tax	49,226	150,298
Effects of:		
Expenses not deductible for tax purposes	91,147	6,445
Capital allowances for period in excess of depreciation	(3,557)	1,793
Tax rate adjustment	-	(10)
Under provision in prior year	470,770	13,009
Share of partnership profit	-	2,724
Short term timing differences	(2,603)	2,350
Total current tax (note 7(a))	<u>604,983</u>	<u>176,609</u>

Two of the company's investments involve membership of two separate partnerships. Both partnerships are under enquiry with HM Revenue & Customs (HMRC). The directors have provided for a liability notified to them by HMRC by means of an accelerated payment notice.

# ASMET (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 8. Tangible fixed assets

	Leasehold property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 October 2013	15,646	156,841	116,977	310,030	599,494
Additions	—	—	29,490	29,043	58,533
Disposals	—	—	(29,723)	—	(29,723)
At 30 September 2014	<u>15,646</u>	<u>156,841</u>	<u>116,744</u>	<u>339,073</u>	<u>628,304</u>
<b>Depreciation</b>					
At 1 October 2013	5,744	145,893	55,576	297,689	504,902
Charge for the year	396	2,737	20,812	9,592	33,537
On disposals	—	—	(20,128)	—	(20,128)
At 30 September 2014	<u>6,140</u>	<u>148,630</u>	<u>56,260</u>	<u>307,281</u>	<u>518,311</u>
<b>Net book value</b>					
At 30 September 2014	<u>9,506</u>	<u>8,211</u>	<u>60,484</u>	<u>31,792</u>	<u>109,993</u>
At 30 September 2013	<u>9,902</u>	<u>10,948</u>	<u>61,401</u>	<u>12,341</u>	<u>94,592</u>

### 9. Investments

	Investments in Partnerships £
<b>Cost</b>	
At 1 October 2013 and 30 September 2014	<u>425,000</u>
<b>Amounts written off</b>	
At 1 October 2013 and 30 September 2014	<u>355,500</u>
<b>Net book value</b>	
At 30 September 2014 and 30 September 2013	<u>69,500</u>

### 10. Stocks

	2014 £	2013 £
Finished goods	<u>9,703,130</u>	<u>7,310,417</u>

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**11. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,456,605	4,002,059
Other debtors	213,395	22,200
Prepayments and accrued income	188,307	84,762
Deferred taxation (note 12)	260,921	277,498
	<u>4,119,228</u>	<u>4,386,519</u>

**12. Deferred taxation**

The deferred tax included in the Balance sheet is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Included in debtors (note 11)	260,921	277,498

The movement in the deferred taxation account during the year was:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 October 2013	277,498	299,872
Profit and loss account movement arising during the year	(16,577)	(22,374)
At 30 September 2014	<u>260,921</u>	<u>277,498</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Excess of depreciation over taxation allowances	921	2,398
Short term timing difference	260,000	275,100
	<u>260,921</u>	<u>277,498</u>

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**13. Creditors: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Pension loan (unsecured)	1,355,438	1,539,948
Other loans (unsecured)	360,000	—
Directors loan account	86,618	—
Bank overdrafts	19,967	23,796
Trade creditors	924,405	2,265,617
Amounts owed to group undertakings	2,082,959	2,175,333
Corporation tax	498,213	459,583
PAYE and social security	16,868	409,548
Other creditors	1,268	750,060
Accruals and deferred income	597,725	286,838
	<u>5,943,461</u>	<u>7,910,723</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	19,967	23,796
Directors loan account	86,618	—
	<u>106,585</u>	<u>23,796</u>

Bank borrowings are secured by a debenture incorporating fixed and floating charges over all property and assets of the company present and future.

The directors' loan account has been secured as a second charge against the property. The loan attracts interest at a rate of 4.5%.

**14. Creditors: Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Pension loan	<u>144,000</u>	<u>—</u>

**15. Pensions**

**Defined contributions pension scheme**

The company operates a defined contributions pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £53,097 (2013 - £105,471).

There were accruals of contributions payable of £1,250 (2013: £nil) to the scheme at the end of the year.

**ASMET (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**16. Other provisions**

	<b>2014</b>
	<b>£</b>
<b>Other provisions - Taxation:</b>	
Movement for year	<u>455,000</u>

Two of the company's investments involve membership of two separate partnerships. Both partnerships are under enquiry with HM Revenue & Customs (HMRC). The directors have provided for a liability notified to them by HMRC by means of an accelerated payment notice.

**17. Financial risk management 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 interest and currency 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.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

***Credit risk***

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

**18. Commitments under operating leases**

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings 2014 £</b>	<i>Land and buildings 2013 £</i>
Operating leases which expire:		
Within 2 to 5 years	<u>16,800</u>	<u>16,800</u>

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**19. Contingencies**

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

**20. Related party transactions**

As a subsidiary undertaking of Asmet Limited, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other companies in the group headed by Asmet Limited.

Included in creditors due within one year are unsecured Directors' loans of £86,618 (2013 - £nil) and unsecured Director's family loans of £360,000 at market rates of interest.

Included in creditors are loans of £1,499,438 owed to pension schemes in which the Directors are trustees.

**21. Share capital**

**Allotted, called up and fully paid:**

	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary C shares of £1 each	165,000	165,000	165,000	165,000
Ordinary P shares of £1 each	165,000	165,000	165,000	165,000
	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>

All ordinary shares constitute 100% of the voting rights of the company.

**22. Profit and loss account**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance brought forward	8,081,858	7,641,273
(Loss)/profit for the financial year	<u>(397,805)</u>	<u>440,585</u>
Balance carried forward	<u>7,684,053</u>	<u>8,081,858</u>

**23. Reconciliation of movements in shareholder's funds**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial year	(397,805)	440,585
Opening shareholder's funds	<u>8,411,858</u>	<u>7,971,273</u>
Closing shareholder's funds	<u>8,014,053</u>	<u>8,411,858</u>

**24. Ultimate parent company**

The company's ultimate controlling parties are D Parker and I Copestake by virtue of their 100% interest in the share capital of the ultimate parent company, Asmet Limited, a company incorporated in the United Kingdom.