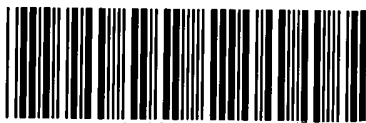


LANGLEY ALLOYS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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COMPANIES HOUSE

LANGLEY ALLOYS LIMITED

COMPANY INFORMATION

Directors	C M J Halliday A M Staines K G Sayer R B Bulmer
Company secretary	K G Sayer
Registered number	3059791
Registered office	The Wharf 504-506 Lowfield Drive Newcastle-under-Lyme Staffordshire ST5 0UU
Independent auditors	Dains LLP Suite 2, Albion House 2 Etruria Office Village Forge Lane Etruria Stoke on Trent ST1 5RQ

LANGLEY ALLOYS LIMITED

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LANGLEY ALLOYS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Business review

The Company maintains its previously stated strategy of being stockist and distributor of propriety and other high strength Corrosion Resistant Alloys and CRAs primarily supplied to the Energy, Marine and Process Equipment markets world-wide.

Turnover in the year was down due to the prevailing oil and gas markets; resulting in a reduction in pre tax profits decreasing in the year by 33%.

The Directors expect our main markets to remain challenging during the coming year, due to the depressed oil price, however are satisfied the company has had a successful trading year and is well positioned to maintain performance in coming years.

Principal risks and uncertainties

Financial risk management objectives and policies:

The company's principal financial instruments comprise cash and short-term deposits. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the company's financial instruments are credit risk, price risk and foreign exchange risk. The board reviews and agrees policies for managing this risk as summarised below.

Trading risks

The principal trading risks affecting the company are:

- Fluctuating oil prices and trading within that industry - mitigated by an increase in customers outside that industry;
- Metal prices (see below); and
- Fluctuations in US Dollar and Euro exchange rates (see below).

Credit risk

The Company trades only with recognised, creditworthy third parties. It is Company policy that most customers who wish to trade on credit terms are subject to credit vetting procedures and the Company has credit insurance in place when practical. In certain circumstances customers are requested to pay in advance of delivery. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Price risk

The Company's exposure to price risk consists mainly of movements in the value of the Company's stock due to the use of commodity metals in the products. Management seeks to mitigate this risk by careful monitoring of commodity pricing and stock holding.

Foreign exchange risk

The Company is exposed to foreign exchange risk through its overseas sales which are invoiced in local currency. The Directors seek to manage this risk by the use of foreign currency bank accounts and monitoring the timing of conversion into sterling to offset long term contract risks. The company also hedges this risk through the use of forward exchange contracts.

LANGLEY ALLOYS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Financial key performance indicators

The Directors monitor turnover, gross profit margins and cash/working capital management as the key performance indicators for the business.

Other key performance indicators

The Directors do not consider there to be any 'other key performance indicators'.

This report was approved by the board and signed on its behalf.

**K G Sayer
Director**



Date:

9/2/17

LANGLEY ALLOYS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their report and the financial statements for the year ended 31 August 2016.

Principal activity

The principal activity of the company during the year was the manufacture and distribution of high performance, corrosion resistant alloys and engineered products.

Directors

The directors who served during the year were:

C M J Halliday
A M Staines
K G Sayer
R B Bulmer

Results and dividends

The profit for the year, after taxation, amounted to £577,241 (2015 - £838,446).

The company has not paid any dividends in the year (2015: £650,000).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

LANGLEY ALLOYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.

K G Sayer
Director



Date:

9/2/17

LANGLEY ALLOYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANGLEY ALLOYS LIMITED

We have audited the financial statements of Langley Alloys Limited for the year ended 31 August 2016, set out on pages 7 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2016 and of its profit or 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 those financial statements.


LANGLEY ALLOYS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANGLEY ALLOYS LIMITED
(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.




Jonathan Dudley (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date:  9 February 2017

LANGLEY ALLOYS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Turnover	4	7,501,473	11,331,942
Cost of sales		(5,368,985)	(8,509,921)
Gross profit		2,132,488	2,822,021
Administrative expenses		(1,426,993)	(1,775,249)
Operating profit	5	705,495	1,046,772
Tax on profit	8	(128,254)	(208,326)
Profit after tax		577,241	838,446
Retained earnings at the beginning of the year		5,189,881	5,001,435
		5,189,881	5,001,435
Profit for the year		577,241	838,446
Dividends declared and paid	9	-	(650,000)
Retained earnings at the end of the year		5,767,122	5,189,881

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 23 form part of these financial statements.

All amounts relate to continuing operations.

LANGLEY ALLOYS LIMITED
REGISTERED NUMBER:3059791

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	10		27,849		41,657
Tangible assets	11		309,876		354,053
			<u>337,725</u>		<u>395,710</u>
Current assets					
Stocks	12	3,771,740		3,559,011	
Debtors: amounts falling due within one year	13	1,591,054		2,201,864	
Cash at bank and in hand	14	1,845,804		1,609,819	
		<u>7,208,598</u>		<u>7,370,694</u>	
Creditors: amounts falling due within one year	15	(1,743,893)		(2,532,760)	
Net current assets			<u>5,464,705</u>		<u>4,837,934</u>
Total assets less current liabilities			<u>5,802,430</u>		<u>5,233,644</u>
Provisions for liabilities					
Deferred tax	16	(34,173)		(42,628)	
			<u>(34,173)</u>		<u>(42,628)</u>
Net assets			<u><u>5,768,257</u></u>		<u><u>5,191,016</u></u>
Capital and reserves					
Called up share capital	17		1,000		1,000
Capital redemption reserve	18		135		135
Profit and loss account	18		5,767,122		5,189,881
			<u>5,768,257</u>		<u>5,191,016</u>

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

C M J Halliday
Director

Date:



The notes on pages 9 to 23 form part of these financial statements.

2/2/17

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. General information

Langley Alloys Limited is a company limited by shares, incorporated in England and Wales. Its registered office is: The Wharf, 504-506 Lowfield Drive, Newcastle-under-Lyme, Staffordshire, ST5 0UU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Langley Alloys Holdings Limited as at 31 August 2016 and these financial statements may be obtained from Companies House.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Trademarks	-	6 to 20 years
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2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to leasehold property	- over the lease term
Plant and machinery	- 10% straight line
Fixtures and fittings	- 10% to 33% straight line
Office equipment	- 25% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.13 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Research and development

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only and is written off in the year in which it is incurred.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Stock provisions

Estimates have been made in relation to the calculation of the stock provision. The calculation requires the company to estimate the net realisable value, in order to compare to cost in assessing if any provisions against stock are required. The carrying value of stock held at the balance sheet date was £3,771,740.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	3,024,141	5,553,220
Rest of Europe	1,037,915	996,708
Rest of the world	3,439,417	4,782,014
	<u>7,501,473</u>	<u>11,331,942</u>

LANGLEY ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. Operating profit

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Research & development charged as an expense	50,047	11,632
Depreciation of tangible fixed assets	71,539	69,022
Amortisation of intangible assets, including goodwill	13,808	13,655
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,000	15,000
Exchange differences	(287,290)	(26,946)
Other operating lease rentals	119,028	138,334
Defined contribution pension cost	24,628	23,257
	<u>24,628</u>	<u>23,257</u>

Fees payable to the company's auditor for other services have not been disclosed as the relevant information is given in the accounts of Langley Alloys Holdings Limited, the ultimate parent company.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,018,581	1,135,787
Social security costs	85,700	100,284
Cost of defined contribution scheme	24,628	23,257
	<u>1,128,909</u>	<u>1,259,328</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production staff	5	5
Administration staff	20	23
	<u>25</u>	<u>28</u>

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. Directors' and key management remuneration

	2016 £	2015 £
Directors' emoluments	232,891	387,498
	<u>232,891</u>	<u>387,498</u>

The highest paid director received remuneration of £80,566 (2015 - £151,252).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,591 (2015 - £5,008).

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	136,709	210,583
	<u>136,709</u>	<u>210,583</u>
Total current tax	<u>136,709</u>	<u>210,583</u>
Deferred tax		
Origination and reversal of timing differences	(8,455)	(2,257)
Total deferred tax	<u>(8,455)</u>	<u>(2,257)</u>
Taxation on profit on ordinary activities	<u>128,254</u>	<u>208,326</u>

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>705,495</u>	<u>1,046,772</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	141,099	215,569
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	40	210
Depreciation for year in excess of capital allowances	5,742	10,757
Adjustments to tax charge in respect of prior periods	(164)	(10,987)
Short term timing difference leading to a decrease in taxation	-	(4,183)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(12,351)	(3,040)
Deferred tax not recognised	(82)	-
Adjustment of deferred tax to an average rate of 20%	(6,030)	-
Total tax charge for the year	<u>128,254</u>	<u>208,326</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Dividends

	2016 £	2015 £
Dividends paid on equity capital	-	650,000
	<u>-</u>	<u>650,000</u>

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. Intangible assets

	Trademarks £
Cost	
At 1 September 2015	241,438
At 31 August 2016	241,438
Amortisation	
At 1 September 2015	199,781
Charge for the year	13,808
At 31 August 2016	213,589
Net book value	
At 31 August 2016	27,849
At 31 August 2015	41,657

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. Tangible fixed assets

	Improvements to leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 September 2015	244,072	338,246	42,476	153,535	778,329
Additions	-	5,930	-	28,752	34,682
Disposals	-	(30,472)	-	-	(30,472)
At 31 August 2016	244,072	313,704	42,476	182,287	782,539
Depreciation					
At 1 September 2015	88,866	174,610	19,821	140,979	424,276
Charge for period on owned assets	18,095	35,181	4,248	14,015	71,539
Disposals	-	(23,152)	-	-	(23,152)
At 31 August 2016	106,961	186,639	24,069	154,994	472,663
Net book value					
At 31 August 2016	137,111	127,065	18,407	27,293	309,876
At 31 August 2015	155,206	163,636	22,655	12,556	354,053

12. Stocks

	2016 £	2015 £
Finished goods and goods for resale	3,771,740	3,559,011
	3,771,740	3,559,011

Stock recognised in cost of sales during the year as an expense was £5,060,872 (2015 - 8,043,623).

An impairment gain of £4,015 (2015 - loss of £169,534) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

LANGLEY ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Debtors

	2016 £	2015 £
Trade debtors	728,155	1,582,866
Amounts owed by group undertakings	754,655	487,258
Prepayments and accrued income	108,244	131,740
	<u>1,591,054</u>	<u>2,201,864</u>

14. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,845,804	1,609,819
	<u>1,845,804</u>	<u>1,609,819</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,343,772	1,698,819
Amounts owed to group undertakings	-	325,000
Corporation tax	57,127	99,747
Taxation and social security	36,637	136,553
Other creditors	63,850	5,588
Accruals and deferred income	242,507	267,053
	<u>1,743,893</u>	<u>2,532,760</u>

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. Deferred taxation

	2016 £	2015 £
At beginning of year	(42,628)	(44,885)
Charged to the profit or loss	8,455	2,257
At end of year	(34,173)	(42,628)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(36,363)	(45,115)
Short term timing differences	2,190	2,487
	(34,173)	(42,628)

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares shares of £1 each	1,000	1,000

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

18. Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve records cumulative profits and losses net of distributions to the parent company.

LANGLEY ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,628 (2015: £23,257). Contributions totalling £4,798 (2015: £4,312) were payable to the fund at the balance sheet date and are included within other creditors.

20. Commitments under operating leases

At 31 August 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and Buildings		
Not later than 1 year	85,000	85,000
Later than 1 year and not later than 5 years	340,000	340,000
Later than 5 years	255,000	340,000
	<u>680,000</u>	<u>765,000</u>
	2016 £	2015 £
Other		
Not later than 1 year	1,983	1,983
Later than 1 year and not later than 5 years	1,498	2,062
	<u>3,481</u>	<u>4,045</u>

21. Related party transactions

The company has taken exemption from FRS 102 section 33 from disclosing transactions between two or more members of a group on the basis that each subsidiary is wholly owned and consolidated accounts are prepared.

22. Ultimate parent undertaking and controlling party

The ultimate parent undertaking by virtue of its 100% shareholding of the ordinary share capital of Langley Alloys Limited is Langley Alloys Holdings Limited, a company registered in the United Kingdom. Langley Alloys Holdings Limited is also the largest and smallest group for which consolidated accounts are prepared. Copies of Langley Alloys Holdings Limited accounts can be obtained from: The Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

The ultimate controlling party is regarded by the directors as C M J Halliday.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.