

Financial Statements Aalco Metals Limited

For the year ended 31 December 2013



Registered number: 03551533

Company information

Directors	B A King R W Colburn S A Hussey
Company secretary	M Hale
Registered number	03551533
Registered office	25 High Street Cobham Surrey KT11 3DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

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Directors' Report

For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £7,882,279 (2012 - £8,282,970).

Directors

The directors who served during the year were:

B A King
R W Colburn
S A Hussey

Employee consultation and disabled employees

Recruitment policies are designed to ensure equal opportunity of employment regardless of race or sex. Appropriate consideration is given to disabled applicants in offering employment.

Good communications and relations with employees are attempted, mainly by practices developed in each operating unit compatible with its own particular circumstances. Senior management are kept informed of group developments in certain financial, commercial, strategic and personnel matters as needed, and are thereby enabled to inform and discuss with employees as appropriate at the individual operating units.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

For the year ended 31 December 2013

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



B A King
Director

Date: 24 September 2014

Strategic Report

For the year ended 31 December 2013

Principal activities

The principal activity of the company during the year was metal stockholding.

Review of business

The directors are of the opinion that the result for the year can be improved upon.

Various key performance indicators are used by the directors to monitor and compare the performance of the various businesses within the company. The directors do not wish to reveal any detailed information as they believe this is commercially sensitive and could be prejudicial to the interests of the company.

The ultimate parent company is privately held, as is the company, and the directors believe the requirement to publish private accounts is a violation of both the spirit and law under European Union right to privacy legislation.

Principal risks and uncertainties

The principal risks and uncertainties of the company are fluctuations in raw material prices, movements in exchange rates, changes in government legislation, costs of government regulation and the credit risk arising from trade debtors.

Where appropriate the company has developed policies and procedures in order to monitor and control these risks.

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


B A King
Director

Date: 24 September 2014

Independent Auditor's Report to the Member of Aalco Metals Limited

We have audited the financial statements of Aalco Metals Limited for the year ended 31 December 2013, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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 www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Member of Aalco Metals Limited

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.

Grant Thornton UK LLP

Perry Burton (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading

25 September 2014

Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1,2	340,165,674	339,188,491
Change in stocks of finished goods and work in progress		222,225	93,580
Raw materials and consumables		(275,873,175)	(275,168,765)
Other external charges		(25,528,338)	(24,860,404)
Staff costs		(26,940,114)	(25,959,512)
Depreciation and amortisation		(1,452,249)	(1,599,900)
Operating profit	3	10,594,023	11,693,490
Interest income		135,731	170,322
Interest expense and similar charges	6	(1,335,249)	(1,496,356)
Profit on ordinary activities before taxation		9,394,505	10,367,456
Tax on profit on ordinary activities	7	(1,512,226)	(2,084,486)
Profit for the financial year	21	7,882,279	8,282,970

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 8 to 20 form part of these financial statements.

Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	8		3,547,409		4,001,506
Investments	9		3		3
			<u>3,547,412</u>		<u>4,001,509</u>
Current assets					
Stocks	11	37,826,327		37,604,102	
Debtors	12	207,580,608		218,548,180	
Cash at bank		4,144,786		5,148,103	
		<u>249,551,721</u>		<u>261,300,385</u>	
Creditors: amounts falling due within one year	13	(100,907,407)		(85,086,637)	
Net current assets			<u>148,644,314</u>		<u>176,213,748</u>
Total assets less current liabilities			<u>152,191,726</u>		<u>180,215,257</u>
Creditors: amounts falling due after more than one year	14		-		(36,026,805)
Provisions for liabilities					
Other provisions	16		(1,295,012)		(1,174,017)
Net assets			<u><u>150,896,714</u></u>		<u><u>143,014,435</u></u>
Capital and reserves					
Called up share capital	20		131,500,002		131,500,002
Profit and loss account	21		19,396,712		11,514,433
Shareholder's funds	22		<u><u>150,896,714</u></u>		<u><u>143,014,435</u></u>

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


B A King
Director

Date: 24 September 2014

The notes on pages 8 to 20 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The principal accounting policies of the company are set out below. The directors have reviewed the accounting policies and consider that they are appropriate for the company.

1.2 Going concern

The company participates in a group treasury function. The directors of the parent undertaking Amari Metals Limited have considered forecasted results for the group, taking into account the business activities and the markets in which it operates. The forecasts indicate that sufficient funds are available for the group to be able to continue in operational existence for the foreseeable future being a period of at least twelve months from the date of signing these financial statements. As the group treasury function is available to all subsidiary undertakings, the directors of this company accordingly continue to prepare the financial statements on the going concern basis.

1.3 Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the European Economic Area and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The information contained within these accounts represents the financial position and performance of the individual company, only for the year ended 31 December 2013, and not that of the group.

1.4 Cash flow statement

The directors have taken advantage of the exemption as provided by Financial Reporting Standard No.1 'Cash Flow Statements' (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.5 Turnover

Turnover shown in the profit and loss account represents the total invoice value of goods supplied during the year, exclusive of Value Added Tax.

Turnover is recognised when all of the following criteria are met:-

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed and determinable; and
- collectability is reasonably assured.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, Equipment & Motor Vehicles	-	10% to 50%
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Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.7 Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

1.8 Stocks

Stocks are valued at the lower of either cost or net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Operating leases

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

1.10 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, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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.

1.11 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling either at the rate of exchange ruling at the date of the transaction or the rate used to hedge the foreign currency transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.12 Pension costs

Defined benefit pension costs

The company participated in a defined benefit pension scheme but is unable to identify its share of the underlying assets and liabilities. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting year. The deficit in the scheme based on an actuarial valuation is given in note 17.

Defined contribution pension costs

The company participates in a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions are charged to the profit and loss account.

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.14 Property dilapidations

Under certain operating leases for land and buildings, the company is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The company charges amounts to profit and loss so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidations obligations. Where repairs are made part way through the lease that will reduce the estimated costs of dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidations provision.

Notes to the Financial Statements

For the year ended 31 December 2013

2. Turnover

The whole of the turnover is attributable to the principal activity of the company. A geographical analysis of turnover is as follows:

	2013	2012
	£	£
United Kingdom	324,853,777	324,431,629
Rest of European Union	13,347,677	12,725,122
Rest of world	1,964,220	2,031,740
	<u>340,165,674</u>	<u>339,188,491</u>

3. Operating profit

The operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	1,452,249	1,599,900
Auditor's remuneration - audit fees	44,350	44,350
Auditor's remuneration - taxation services	9,300	9,300
Operating lease rentals:		
- plant and machinery	996,026	786,353
- land and buildings	3,758,524	3,570,062
Loss on foreign exchange transactions	2,053	20,678
	<u>6,212,952</u>	<u>6,030,643</u>

4. Staff costs

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

	2013	2012
	£	£
Wages and salaries	22,982,118	22,047,859
Social security costs	2,040,912	2,014,191
Other pension costs	1,917,084	1,897,462
	<u>26,940,114</u>	<u>25,959,512</u>

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

	2013	2012
	No.	No.
	<u>816</u>	<u>763</u>

Notes to the Financial Statements

For the year ended 31 December 2013

5. Directors' remuneration

Remuneration in respect of directors was as follows:

	2013	2012
	£	£
Remuneration	36,366	38,793

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

6. Interest expense and similar charges

	2013	2012
	£	£
On bank borrowings	1,335,249	1,359,713
On other loans	-	136,643
	1,335,249	1,496,356

7. Taxation

	2013	2012
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,479,907	2,161,602
Adjustments in respect of prior periods	(225,822)	(338,247)
	1,254,085	1,823,355
Foreign tax on income for the year	13,573	-
Total current tax	1,267,658	1,823,355
Deferred tax (see note 15)		
Origination and reversal of timing differences	244,568	261,131
Tax on profit on ordinary activities	1,512,226	2,084,486

Notes to the Financial Statements

For the year ended 31 December 2013

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>9,394,505</u>	<u>10,367,456</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)	2,184,223	2,540,027
Effects of:		
Expenses not deductible for tax purposes	62,195	61,973
Fixed asset timing differences	10,637	22,333
Adjustments to tax charge in respect of prior periods	(225,822)	(338,247)
Utilisation of group relief election	(781,673)	(505,340)
Other timing differences	18,098	42,609
Current tax charge for the year (see note above)	<u>1,267,658</u>	<u>1,823,355</u>

Notes to the Financial Statements

For the year ended 31 December 2013

8. Tangible fixed assets

	Plant, Equipment & Motor Vehicles £
Cost	
At 1 January 2013	20,281,754
Additions	1,046,632
Transfers intra group	(83,082)
Disposals	(710,797)
At 31 December 2013	20,534,507
Depreciation	
At 1 January 2013	16,280,248
Charge for the year	1,452,249
Transfers intra group	(41,795)
On disposals	(703,604)
At 31 December 2013	16,987,098
Net book value	
At 31 December 2013	3,547,409
At 31 December 2012	4,001,506

Notes to the Financial Statements

For the year ended 31 December 2013

9. Fixed asset investments

	Investments in subsidiary undertakings
Cost	
At 1 January 2013 and 31 December 2013	3
Net book value	
At 31 December 2013	3
At 31 December 2012	3

10. Principal subsidiaries

The company has a 100% interest in the Ordinary shares of the following subsidiary companies, all of which are incorporated in England and Wales.

Company name	Nature of business
Amari Metals Pension Trustees Limited	Dormant
Amari Metals DC Pension Trustees Limited	Dormant

11. Stocks

	2013	2012
	£	£
Goods held for resale	37,826,327	37,604,102

12. Debtors

	2013	2012
	£	£
Trade debtors	54,879,630	54,312,437
Amounts owed by group undertakings	4,479,621	4,874,424
Amounts owed by parent company	145,234,387	151,547,001
Corporation tax recoverable	269,588	-
Other debtors	1,258,575	6,359,988
Prepayments and accrued income	1,219,317	970,272
Deferred tax asset (see note 15)	239,490	484,058
	207,580,608	218,548,180

Notes to the Financial Statements

For the year ended 31 December 2013

13. Creditors:

Amounts falling due within one year

	2013	2012
	£	£
Bank borrowings	11,793,744	-
Trade creditors	72,217,245	65,035,214
Amounts owed to group undertakings	1,347,071	3,070,428
Corporation tax	-	209,277
Other taxation and social security	7,478,151	7,500,520
Accruals and deferred income	8,071,196	9,271,198
	<u>100,907,407</u>	<u>85,086,637</u>

14. Creditors:

Amounts falling due after more than one year

	2013	2012
	£	£
Bank borrowings	-	36,026,805
	<u>-</u>	<u>36,026,805</u>

At the year end, the bank borrowings were repayable on or before 20 April 2014. Subsequent to the year end this facility was renewed and is now repayable on or before 20 April 2016. Interest has been charged on borrowings during the year at a variable rate above LIBOR and the borrowings were secured against all the assets of the Group headed by Amari Metals Limited, under an intercompany cross guarantee.

15. Deferred taxation

	2013	2012
	£	£
At beginning of year	484,058	745,189
Charged for year	(244,568)	(261,131)
	<u>239,490</u>	<u>484,058</u>
At end of year	<u>239,490</u>	<u>484,058</u>

The deferred tax asset is made up as follows:

	2013	2012
	£	£
Fixed asset timing differences	222,329	238,547
Other timing differences	17,161	245,511
	<u>239,490</u>	<u>484,058</u>

Notes to the Financial Statements

For the year ended 31 December 2013

16. Provisions

	Dilapidation Provision £
At 1 January 2013	1,174,017
Profit and loss account movement during the year	120,995
At 31 December 2013	<u>1,295,012</u>

Dilapidation Provision

The dilapidation provision represents obligations under tenancy leases and is expected to be utilised over the remaining lease terms.

17. Capital commitments

At 31 December 2013 amounts authorised but not contracted for amount to £325,041 (2012 - £191,624).

18. Pension commitments

Defined contribution schemes

The company participates in a defined contribution scheme for the benefit of all enrolled UK employees. The assets of the scheme are administered by trustees in funds independent from those of the company.

The pension cost for the period represents contributions due by the company to the scheme in respect of the financial period and amounted to £1,917,084 (2012 - £1,897,462).

Defined benefit schemes

The company participated in a defined benefit scheme operated by the group of undertakings headed by Amari Metals Limited, for the benefit of all enrolled UK employees. The assets of the scheme are administered by trustees in funds independent from those of the group and invested directly having taken advice from independent professional investment managers.

Amari Metals Limited closed its defined benefit scheme to new members and future employee contributions on 30 September 2003. The group's defined benefit scheme was also closed to future accrual with effect from 30 September 2003. The group will however continue to make contributions to the frozen defined benefit scheme so as to fulfil its pension obligation in respect of members who have accrued benefits up to 30 September 2003.

The most recent actuarial valuation was as at 31 March 2010 when the market value of the scheme assets was £57,377,000. The actuarial value of those assets was sufficient to cover 70% of the benefits that had accrued to members.

Notes to the Financial Statements

For the year ended 31 December 2013

18. Pension commitments (continued)

Following the latest actuarial valuation, annual contributions of £2,400,000 will be paid to the scheme, by the participating employers, in an effort to eliminate the deficit disclosed over a 15 year period to 31 March 2025. The contribution levels are subject to review at future valuations. The group expects to pay contributions of £2,440,000 in the year to 31 December 2014.

The company's pension costs are assessed in accordance with the advice of an independent qualified actuary and are affected by surpluses or deficits in the group defined benefit scheme. However, being part of a multi-employer defined benefit scheme, the company is unable to identify its individual share of the underlying assets and liabilities in the scheme. The company has therefore accounted for the contributions to the group defined benefit scheme as if it was a defined contribution scheme. Detailed disclosures in accordance with Financial Reporting Standard No 17 'Retirement Benefits' (FRS 17) are set out in the consolidated financial statements of Amari Metals Limited, which are publicly available.

The net pension deficit (after accounting for deferred taxation), based on an actuarial valuation in accordance with FRS 17 at 31 December 2013 was £23,163,200 (2012 - £25,180,540).

19. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	82,183	181,400	53,911	52,053
Between 2 and 5 years	712,815	317,750	699,151	655,694
After more than 5 years	2,808,611	3,222,376	338,444	90,149
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
131,500,000 Preference shares of £1 each	131,500,000	131,500,000
	<u> </u>	<u> </u>
	<u>131,500,002</u>	<u>131,500,002</u>

The shares rank pari-passu with the exception that the redeemable preference shares have no dividend rights. The redeemable preference shares can be redeemed at par at any time (at the option of the company) having given not less than three months previous notice in writing. As such, these shares have been classified as equity.

Notes to the Financial Statements

For the year ended 31 December 2013

21. Reserves

	Profit and loss account £
At 1 January 2013	11,514,433
Profit for the year	7,882,279
At 31 December 2013	<u>19,396,712</u>

22. Reconciliation of movement in shareholder's funds

	2013 £	2012 £
Opening shareholder's funds	143,014,435	134,731,465
Profit for the financial year	<u>7,882,279</u>	<u>8,282,970</u>
Closing shareholder's funds	<u>150,896,714</u>	<u>143,014,435</u>

23. Contingent liabilities

Under a group banking facility all of the assets of the company are secured against borrowings advanced to the group of companies headed by Amari Metals Limited. The contingent liability under this arrangement, being the aggregate bank borrowings of the group, at 31 December 2013 was £11,793,744 (2012 - £36,026,805).

There are no other contingent liabilities at 31 December 2013 or 31 December 2012.

24. Related party transactions

As a wholly owned subsidiary of the group headed by Amari Metals Limited, the company has taken advantage of the exemption as provided by Financial Reporting Standard No. 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group.

The company has made payments to fellow subsidiaries of Henley Management Company in respect of leases to the value of £198,750 (2012 - £198,750) and incurred fees of £3,765,953 (2012 - £2,454,517), of which £69,112 (2012 - £115,448) was outstanding at the year end. The company has also made payments to companies connected to certain shareholders of Henley Management Company in respect of leases of £555,000 (2012 - £555,000) and made sales of metal of £8,458,333 (2012 - £8,791,794), of which £2,226,329 (2012 - £1,545,805) was outstanding at the year end, and purchases of metal of £128,195 (2012 - £26,686), of which £29,880 (2012 - £6,592) was outstanding at year end.

The company also has loans receivable from fellow subsidiaries and companies connected to certain shareholders of Henley Management Company of £nil (2012 - £5,369,631) on which interest of £135,731 (2012 - £170,322) has been received during the year.

Notes to the Financial Statements

For the year ended 31 December 2013

25. Ultimate parent undertaking and controlling party

The ultimate parent company and controlling related party is Henley Management Company, a company registered in the USA.

The largest and smallest group of which the company is a member and for which group consolidated financial statements are drawn up is headed by Amari Metals Limited, the immediate parent company. Copies of these financial statements are available from Companies House.