

A & M Tungsten Powders Limited

Report and Financial Statements

Year Ended

30 June 2009

Company Number 3674027



A & M Tungsten Powders Limited

**Report and financial statements
for the year ended 30 June 2009**

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Director

P H David

Secretary and registered office

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

Company number

3674027

Auditors

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

A & M Tungsten Powders Limited

Report of the director for the year ended 30 June 2009

The director presents his report together with the audited financial statements for the year ended 30 June 2009.

Results and dividends

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

The director does not recommend a payment of a final ordinary dividend for the year (2008 - £Nil).

Principal activities, trading review and future developments

The principal activities of the company was the manufacture of tungsten powders, which ceased during the prior year.

Director

The director of the company during the year was:

P H David

Financial instruments

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

Foreign currency risk

The company's reporting currency is Sterling, but it operates in different parts of the world in different currencies. The company enters into forward exchange contracts to protect against the risk that the cost of goods will increase due to exchange rate fluctuations.

Interest rate risk

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

Liquidity risk

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

Credit risk

The company's trade debtors are represented by amounts due from well established organisations in the minerals and metals industries. Regular credit checks are performed on all customers. No significant credit risk exists.

A & M Tungsten Powders Limited

Report of the director for the year ended 30 June 2009 (Continued)

Director's responsibilities

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director 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 director is required to:

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

The director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The current director has taken all the steps that he ought to have taken to make himself aware of the information needed by the company's auditors for the purposes of their audit and to ensure that the auditors are aware of the information. The director is not aware of any relevant information of which the auditors are unaware.

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

By order of the Board


C Bloggs

Secretary

26 October 2009

A & M Tungsten Powders Limited

Independent auditor's report

TO THE MEMBERS OF TUNGSTEN POWDERS LIMITED

We have audited the financial statements of Tungsten Powders Limited for the year ended 30 June 2009 which comprise the profit and loss account, the note on historical cost profits and reconciliation of movements in shareholders' funds, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of the director's responsibilities, the director is 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 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

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 director; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 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 matters prescribed by the Companies Act 2006

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

A & M Tungsten Powders Limited

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

26 October 2009

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

A & M Tungsten Powders Limited

Profit and loss account for the year ended 30 June 2009

	Note	2009 £	2008 £
Turnover	2	-	59,708
Cost of sales		-	64,398
		<hr/>	<hr/>
Gross loss		-	(4,690)
Administrative expenses		651	15,852
		<hr/>	<hr/>
Operating loss	4	(651)	(20,542)
Interest payable and similar charges	5	(24)	(245)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(675)	(20,787)
Taxation on loss from ordinary activities	6	(382)	9,177
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(1,057)	(11,610)
		<hr/>	<hr/>

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

The notes on pages 8 to 12 form part of these financial statements.

A & M Tungsten Powders Limited

Reconciliation of movements in shareholders' funds for the year ended 30 June 2009

	2009 £	2008 £
Loss for the year	(1,057)	(11,610)
Opening shareholders' funds	(281,548)	(269,938)
	<hr/>	<hr/>
Closing shareholders' funds	(282,605)	(281,548)
	<hr/>	<hr/>

The notes on pages 8 to 11 form part of these financial statements.

A & M Tungsten Powders Limited

Balance sheet
at 30 June 2009

<i>Company number 3674027</i>	Note	2009 £	2009 £	2008 £	2008 £
Current assets					
Debtors	7	58,187		58,488	
Cash at bank and in hand		52		218	
		<u>58,239</u>		<u>58,706</u>	
Creditors: amounts falling due within one year	8	<u>340,844</u>		<u>340,255</u>	
Net current liabilities			<u>(282,605)</u>		<u>(281,549)</u>
Net liabilities			<u>(282,605)</u>		<u>(281,549)</u>
Capital and reserves					
Called up share capital	9		220,000		220,000
Profit and loss account	10		<u>(502,605)</u>		<u>(501,548)</u>
Shareholders' funds			<u>(282,605)</u>		<u>(281,549)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 October 2009

P H David
Director



The notes on pages 8 to 11 form part of these financial statements.

A & M Tungsten Powders Limited

Notes forming part of the financial statements for the year ended 30 June 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed assets, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Going concern

The accounts of the company have been prepared on a going concern basis which assumes that the company will continue in existence for the foreseeable future. The company relies on support from its parent company, A & M Group Limited, in order to meet its obligations as they fall due. The director has received assurances from the parent company that this support will continue to be provided for the foreseeable future and on this basis, and all other information available, he considers that it is appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Turnover is recognised when the risks and rewards of owning the goods has passed to the customer, which is generally on delivery.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences and deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

Deferred tax balances are not discounted.

Foreign currency

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

Pension costs

Contributions to employee's personal pension plans are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Director

No remuneration was paid to the director during the year, nor during the prior year, in respect of his services in relation to the company.

A & M Tungsten Powders Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (*Continued*)

4 Operating loss

	2009 £	2008 £
This has been arrived at after charging/(crediting):		
Depreciation	-	-
Auditor's remuneration - in respect of audit services	-	2,829
- in respect of tax services	-	2,500
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2009 £	2008 £
Bank interest	24	245
	<u> </u>	<u> </u>

6 Taxation on loss from ordinary activities

	2009 £	2008 £
<i>Current tax</i>		
UK corporation tax on loss for the year	(382)	(9,177)
	<u> </u>	<u> </u>

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

	2009 £	2008 £
Loss on ordinary activities before tax	(675)	(20,787)
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 29.5%)	(189)	(6,132)
Effects of:		
Expenses not deductible for tax purposes	-	145
Under provision in respect of previous years	189	(3,122)
Receipt for group relief	382	(5,986)
Surrender for group relief	-	5,918
	<u> </u>	<u> </u>
Current year tax charge/(credit)	-	(9,177)
	<u> </u>	<u> </u>

A potential deferred tax asset exists at the balance sheet date in respect of tax losses carried forward. This has not been recognised in the accounts as there is insufficient evidence that the asset will be recoverable within the meaning of Financial Reporting Standard 19 "Deferred Tax". Tax losses carried forward at the balance sheet date were £Nil (2008 - £213,030).

A & M Tungsten Powders Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (Continued)

7 Debtors

	2009 £	2008 £
Trade debtors	3,843	6,834
Amounts due from group undertakings	54,344	51,654
	<u>58,187</u>	<u>58,488</u>

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

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	338,410	337,511
Taxation and social security	2,434	2,744
	<u>340,844</u>	<u>340,255</u>

9 Share capital

	2009 Number	Authorised 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	500,000	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	Allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	220,000	220,000	220,000	220,000
	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>

10 Reserves

	Profit and loss account £
At 1 July 2008	(501,548)
Loss for the year	(1,057)
	<u>(502,605)</u>
At 30 June 2009	<u>(502,605)</u>

A & M Tungsten Powders Limited

Notes forming part of the financial statements for the year ended 30 June 2009 (Continued)

11 Commitments under operating leases

The company entered into a licence agreement with A & M Group Limited for a period of three years from 1 January 2002 which was renewed by default on 1 January 2005 for a further 3 years. This agreement was reviewed on 1 January 2008. The annual rental charge under the agreement has ceased on the sale of the freehold building, owned by A&M Group Limited on 29 June 2009.

12 Contingent liabilities

The company has a joint and several liability for VAT under a group registration scheme. At the balance sheet date £2,235 (2008 - £1,846) was owed to the group by HMRC.

The company is party with certain other group companies to an omnibus guarantee and set off agreement as part of a group banking facility.

13 Related party transactions

At the year end, there was an amount due from A & M Minerals and Metals Limited of £54,344 (2008 - £51,654).

At the year end, there was an amount due to A & M Group Limited of £252,721 (2008 - £252,721)

At the year end, there was an amount due to A & M Minerals Limited of £66,955 (2008 - £66,056).

At the year end, there was an amount due to London Chemical Export limited of £Nil (2008 - £Nil).

At the year end, there was an amount due to Thornton Processing Limited of £18,734 (2008 - £18,734).

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

14 Cash flow statements

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

15 Ultimate parent company

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

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