

Mettis Aerospace (Holdings) Limited
Annual report and financial statements
for the year ended 31 December 2013

Registered number 4013487

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Mettis Aerospace (Holdings) Limited

Annual report and financial statements for the year ended 31 December 2013

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Mettis Aerospace (Holdings) Limited

Directors' report for the year ended 31 December 2013

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2013

Director

The directors who served during the year and up to the date of signing the financial statements were

C T Edge	
B J S Doran	(resigned 3 November 2013)
P I Taylor	(appointed 30 May 2013)

The company has arranged appropriate qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in place throughout the last financial year and is currently in force.

Principal activities

The principal activity of the company, which is based solely in the United Kingdom, is the holding of shares in subsidiary companies.

Business review and future developments

There was no change in the nature of the investments held or their carrying values during the year and no such changes are anticipated in the near future.

The company made no political or charitable donations during the year (2012: £nil).

Financial risk management policies and objectives

The company was not exposed to any significant financial risks during the year due to the nature of its operations as a holding company. However, the directors continually monitor financial risks to ensure appropriate risk management policies are adopted and implemented.

Key performance indicators

Due to the nature of the business, the company monitors results on a group basis, which are disclosed in the annual report and financial statements of Mettis Group Limited for the year ended 31 December 2013.

Results and dividends

The profit and loss account is set out on page 5. The director does not recommend payment of a dividend (December 2012: £nil).

Small Company provisions

This report has been prepared in accordance with the special provision for small companies under the Companies Act 2006. The company has taken advantage of the exemption available under the special provision for small companies from preparing a strategic report.

Mettis Aerospace (Holdings) Limited

Directors' report for the year ended 31 December 2013 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

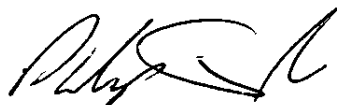
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the director's report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



PI Taylor
Director
23 May 2014

Independent auditors' report to the members of Mettis Aerospace (Holdings) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Mettis Aerospace (Holdings) Limited, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

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)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report and Financial Statements (the "Annual 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 other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Mettis Aerospace (Holdings) Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing strategic report. We have no exceptions to report arising from this responsibility


Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing


John Coates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

23 May 2014

Mettis Aerospace (Holdings) Limited

Profit and loss account for the year ended to 31 December 2013

	Note	2013 £'000	2012 £'000
Administrative expenses		(12)	(12)
Other operating income		800	800
Operating profit		788	788
Profit on ordinary activities before taxation	2	788	788
Tax (charge)/credit on profit on ordinary activities	4	(538)	396
Profit for the financial year	11	250	1,184

The above results are derived from continuing activities

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

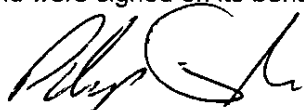
The notes on pages 7 to 14 form part of these financial statements

Mettis Aerospace (Holdings) Limited

Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	5	4,958	4,970
Investments	6	13,277	13,277
		18,235	18,247
Current assets			
Debtors (including amounts due after more than one year of £7,181,922 (2012 £7,719,686))	7	27,425	27,163
Net current assets		27,425	27,163
Total assets less current liabilities		45,660	45,410
Net assets		45,660	45,410
Capital and reserves			
Called up share capital	9	57,907	57,907
Share premium account	10	27,230	27,230
Profit and loss account	10	(39,477)	(39,727)
Total shareholders' funds	11	45,660	45,410

The financial statements on pages 5 to 14 were approved by the board of directors on 23 May 2014 and were signed on its behalf by



PI Taylor
Director
Mettis Aerospace (Holdings) Limited
Registered number 4013487

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended to 31 December 2013

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention and on a going concern basis.

Consolidation

These financial statements include information about Mettis Aerospace (Holdings) Limited as an individual company and do not contain consolidated financial information as a parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Mettis Group Limited, a company incorporated in England and Wales.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less accumulated depreciation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost, less the estimated residual value, of tangible assets on a straight line basis over their estimated lives as follows:

Freehold and long leasehold buildings - up to 100 years
Freehold land is not depreciated.

Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less provisions for any impairment. The basis of impairment write down is by reference to the higher of net realisable value and value-in-use. Dividends declared in specie are credited against the value of investments.

Group capital transactions

Capital transactions are accounted for on capital contributions from parent undertakings. No profit or loss arises on such transactions. To the extent these transactions are made with qualifying consideration, these are recognised in distributable reserves; otherwise they are recorded within a non-distributable reserve.

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

1 Principal accounting policies (continued)

Cash flow statement

The company is exempt from the requirement of FRS 1 (Revised 1996) "Cash flow statements" to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Mettis Group Limited, and its cash flows are included within the consolidated cash flow statement of that company

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are in the financial statements

Deferred tax is provided on all timing differences in accordance with FRS 19 "Deferred tax" and is recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax assets are recognised to the extent they are regarded as recoverable. Deferred tax assets and liabilities recognised have not been discounted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based upon tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Profit on ordinary activities before taxation

	2013	2012
	£'000	£'000
<hr/>		
The profit on ordinary activities before taxation is after charging		
Depreciation of tangible fixed assets - owned (note 5)	12	12
Rent receivable	(800)	(800)

Auditors' remuneration £1,000 (2012 £1,000) for the audit of the company's financial statement is borne by the company's parent undertaking

3 Directors and employees

The directors did not receive any emoluments in respect of their services to the company for the year (2012 £nil). The company has no employees other than the directors.

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

4 Tax on profit on ordinary activities

	2013	2012
	£'000	£'000
Current tax		
UK corporation tax on profit for the year at 23.25% (2012: 24.5%)	-	-
Current tax charge on profit on ordinary activities	-	-
Deferred tax		
Origination and reversal of timing differences	398	(342)
Impact of change in tax rate	140	-
Adjustment in respect of previous periods	-	(54)
Deferred tax charge/(credit) (note 8)	538	(396)
Tax charge/(credit) on profit on ordinary activities	538	(396)

The tax charge assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK 23.25% (2012: 24.5%). The differences are explained below:

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	788	788
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	183	193
Effects of:		
Non-deductible and non-taxable items	215	220
Utilisation of tax losses	(398)	(413)
Current tax charge for the year	-	-

During the year, a change in the main UK corporation tax rate from 23% to 21% was substantively enacted on 2 July 2013 and became effective from 1 April 2014. A further reduction to the main UK corporation tax rate to 20% effective from 1 April 2015 was also enacted on this date. Deferred tax reflected in these financial statements has been provided at 20%, which was the rate substantively enacted at the balance sheet date.

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

5 Tangible assets

	Freehold land and buildings
	£'000
Cost	
At 1 January 2013 and 31 December 2013	5,000
Accumulated depreciation	
At 1 January 2013	30
Charge for the year	12
At 31 December 2013	42
Net book value	
At 31 December 2013	4,958
At 31 December 2012	4,970

6 Investments

Investment in subsidiary undertakings:	£'000
Cost	
At 1 January 2013 and 31 December 2013	44,562
Impairment of investments	
At 1 January 2013 and 31 December 2013	(31,285)
Net book value	
At 31 December 2013	13,277
At 31 December 2012	13,277

The directors believe that the carrying value of the investments is supported by their underlying net assets

Details of the principal subsidiary companies are given in note 12

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

7 Debtors

	2013	2012
	£'000	£'000
Due within one year		
Amount owed by parent undertakings	4,090	3,290
Amount owed by group undertakings	22,377	22,377
Deferred taxation – amount due in less than one year (note 8)	400	400
Deferred taxation – amount due after one year (note 8)	558	1,096
	27,425	27,163

The amounts owed by group undertakings have no scheduled repayment date and are not interest bearing, £6,624,000 (2012 £6,624,000) of the amounts owed to group undertakings is considered due after more than one year

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

8 Deferred taxation

	2013	2012
	£'000	£'000
Asset at 31 December 2012	1,496	1,100
(Charge)/credit for the year (note 4)	(538)	342
Credit for the prior year (note 4)	-	54
Asset at 31 December 2013	958	1,496
Amounts recognised		
	2013	2012
	£'000	£'000
Other timing differences – losses	958	1,496

9 Called up share capital

	2013	2012
	£'000	£'000
Allotted, and fully paid		
57,906,629 (2012 57,906,629) ordinary £1 shares	57,907	57,907

10 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 January 2013	27,230	(39,727)
Profit for the financial/year period	-	250
At 31 December 2013	27,230	(39,477)

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Reconciliation of movements in total shareholders' funds

	2013	2012
	£'000	£'000
Profit for the financial year	250	1,184
Net movements in total shareholders' funds	250	1,184
Opening total shareholders' funds	45,410	44,226
Closing total shareholders' funds	45,660	45,410

12 Principal subsidiaries

Details of the directly held subsidiary companies, which are wholly owned, are included in the following table

Name of company	Country of incorporation / registration and operation	Issued share capital	Principal activity
High Duty Alloys Limited	United Kingdom	13,387,085 ordinary £1 shares	Holding company

High Duty Alloys Limited owns 100% of the issued share capital, ordinary shares of £1, of Mettis Aerospace Limited, a company incorporated in England and Wales

13 Related party disclosures

The company has taken advantage of the exemption given in FRS 8 "Related Party Disclosures" with respect to inter group disclosures as its parent company, Mettis Group Limited, controls 100% of the company's voting share capital and its group financial statements are publicly available

14 Contingent liabilities

The company is a party to a group banking arrangement. The group's bank borrowings at any time are secured by a fixed and floating charge on the assets of the company. There were contingent liabilities at the period end under letters of indemnity given by the bank of £50,000 (2012: £50,000) in favour of HM Revenue and Customs for duty deferment.

Mettis Aerospace (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

15 Ultimate parent company and controlling party

The parent company undertaking is Mettis Group Limited, a company incorporated in the United Kingdom. Copies of Mettis Group Limited consolidated financial statements can be obtained from the Company Secretary, Mettis Group Limited, Windsor Road, Redditch, Worcestershire, B97 6EF.

Mettis Group Limited heads the smallest and the largest group to consolidate these financial statements.

Saints Capital Chamonix LP held over 50% of the equity of Mettis Group Limited at 31 December 2013. As a result the director considers that the group is effectively controlled by Saints Capital Chamonix LP, the registered office of which is 475 Sansome Street, Suite 1850, San Francisco, CA 94111.