

A & M Minerals Limited

Report and Financial Statements

Year Ended

30 June 2013

Company Number 04213387



A & M Minerals Limited

Report and financial statements for the year ended 30 June 2013

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Director

C A Bloggs

Secretary and registered office

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

Company number

04213387

Auditors

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

A & M Minerals Limited

Report of the director for the year ended 30 June 2013

The director presents his report together with the audited financial statements for the year ended 30 June 2013

Results and dividends

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

The director does not recommend a payment of a final ordinary dividend for the year (2012 - \$nil)

Principal activities, trading review and future developments

The principal activity of the company is the trading of minerals and metals

The director considers that the profit achieved on ordinary activities before taxation and the outlook for the future to be encouraging

Adequate finance has been obtained to take advantage of business opportunities, and the director considers the state of affairs to be satisfactory

The director monitors the business on a timely basis in order to assess performance and manage business risk

Director

The director of the company during the year was C A Bloggs

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 US dollars, 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 Minerals Limited

Report of the director for the year ended 30 June 2013 (*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 director has 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 he is 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 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 A Bloggs
Secretary

30 September 2013

A & M Minerals Limited

Independent auditor's report

TO THE MEMBERS OF A & M MINERALS LIMITED

We have audited the financial statements of A&M Minerals Limited for the year ended 30 June 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the statement of 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 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 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/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 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 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 Minerals 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*

30 September 2013

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

A & M Minerals Limited

Profit and loss account for the year ended 30 June 2013

	Note	2013 \$	2012 \$
Turnover	2	112,034,685	138,208,876
Cost of sales		<u>(108,466,568)</u>	<u>(132,893,539)</u>
Gross profit		3,568,117	5,315,337
Administrative expenses		<u>(3,060,687)</u>	<u>(3,027,436)</u>
Operating profit	3	507,430	2,287,901
Interest payable and similar charges	4	<u>(262,399)</u>	<u>(433,111)</u>
Profit on ordinary activities before taxation		245,031	1,854,790
Taxation on profit from ordinary activities	5	<u>(165,351)</u>	<u>(480,582)</u>
Profit on ordinary activities after taxation	10	<u>79,680</u>	<u>1,374,208</u>

All amounts relate to continuing activities

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

The notes on pages 7 to 11 form part of these financial statements

A & M Minerals Limited

Balance sheet at 30 June 2013

<i>Company number 04213387</i>	Note	2013 \$	2012 \$
Current assets			
Stocks	6	15,209,997	15,128,689
Debtors	7	8,663,409	1,680,539
Cash at bank and in hand		1,550,145	958,477
		<u>25,423,551</u>	<u>17,767,705</u>
Creditors: amounts falling due within one year	8	<u>21,534,393</u>	<u>13,958,227</u>
Net assets		<u>3,889,158</u>	<u>3,809,478</u>
Capital and reserves			
Called up share capital	9	142	142
Profit and loss account	10	<u>3,889,016</u>	<u>3,809,336</u>
Shareholders' funds	11	<u>3,889,158</u>	<u>3,809,478</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2013


 C A Bloggs
 Director

The notes on pages 7 to 11 form part of these financial statements

A & M Minerals Limited

Notes forming part of the financial statements for the year ended 30 June 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified for the marking to market of stocks as set out below, and are in accordance with applicable accounting standards. The financial statements are shown in US dollars as this is the predominant currency in which the company trades. The following principal accounting policies have been applied:

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.

Forward contract recognition

Forward contracts at the balance sheet date are valued against market value at that date on the commodity by commodity basis. Full provisions are made for the net unrealised losses for a commodity and no account is taken of net unrealised profits for a commodity.

Stocks

All stock is stated at the lower of cost and net realisable value, with the exception of stocks of tin which are included in the balance sheet at market value. Tin is accounted for in this way as it is traded on the London Metal Exchange. The difference between the cost and market value of stocks of tin is taken to the profit and loss account.

In the opinion of the director, this policy properly reflects the trading of the company and represents a true and fair view of the company's financial position as at the balance sheet date.

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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Foreign currency

Foreign currency transactions are translated at the monthly rate 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.

2 Turnover

The director considers that a geographical split of turnover is inappropriate as commodities are effectively traded in a world market.

A & M Minerals Limited

Notes forming part of the financial statements for the year ended 30 June 2013 (*continued*)

3 Operating profit

	2013 \$	2012 \$
This has been arrived at after charging/(crediting)		
Auditors' remuneration		
- in respect of audit services	31,918	33,459
- in respect of taxation services	9,000	9,538
Foreign exchange loss/(gain)	66,211	(77,748)
	<u> </u>	<u> </u>

No remuneration was paid to the director during the year, or during the prior year, in respect of his services in relation to the company

4 Interest payable and similar charges

	2013 \$	2012 \$
Bank loans and overdrafts	262,399	433,111
	<u> </u>	<u> </u>

5 Taxation on profit from ordinary activities

	2013 \$	2012 \$
<i>Current tax</i>		
UK corporation tax on profit of the year	171,784	484,041
(Over) provision in respect of prior years	(6,433)	(3,459)
	<u> </u>	<u> </u>
Current tax charge for year	165,351	480,582
	<u> </u>	<u> </u>

5 Taxation on profit from ordinary activities (*continued*)

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

	2013 \$	2012 \$
Profit on ordinary activities before tax	245,034	1,854,790
	<u> </u>	<u> </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23.75% (2012 - 25.5%)	58,196	472,971
Effects of		
Expenses not deductible for tax purposes	113,588	11,070
(Over)/under provision in respect of prior years	(6,433)	(3,459)
	<u> </u>	<u> </u>
Current tax charge for year	165,351	480,582
	<u> </u>	<u> </u>

There are no deferred tax assets or liabilities which have not been disclosed or provided for in these financial statements

A & M Minerals Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

6 Stock

	2013 \$	2012 \$
Commodities	15,209,997	15,128,689

7 Debtors

	2013 \$	2012 \$
Trade debtors	7,722,677	1,662,864
Amounts due from related group undertakings	895,856	-
Other debtors	44,876	17,675
	8,663,409	1,680,539

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

8 Creditors amounts falling due within one year

	2013 \$	2012 \$
Bank loan and overdraft (secured)	12,451,461	1,434,922
Trade creditors	2,163,028	3,783,012
Amounts owed to related group undertakings	6,044,802	5,696,200
Corporation tax	199,253	495,863
Other creditors	91,799	-
Accruals and deferred income	584,050	2,548,230
	21,534,393	13,958,227

The bank loan and overdrafts are secured on the company's, stocks and trade debtors and by cross guarantees with certain other group companies

9 Share capital

	Authorised, allotted, called up and fully paid			
	2013 Number	2012 Number	2013 \$	2012 \$
Ordinary shares of £1 each	100	100	142	142

A & M Minerals Limited

Notes forming part of the financial statements for the year ended 30 June 2013 (continued)

10 Profit and loss account	\$
At 1 July 2012	3,809,336
Profit for the year	79,680
	<hr/>
At 30 June 2013	3,889,016
	<hr/>

11 Reconciliation of movements in shareholders' funds	2013	2012
	\$	\$
Profit for the year	79,680	1,374,208
Opening shareholders' funds	3,809,478	2,435,270
	<hr/>	<hr/>
Closing shareholders' funds	3,889,158	3,809,478
	<hr/>	<hr/>

12 Contingent liabilities

At the balance sheet date the company had entered into forward contracts for the purchase and sale of minerals and metals and had opened letters of credit in the ordinary course of business

The company has a joint and several liability for VAT under a group registration scheme. At the balance sheet date \$1,125 (2012 - \$17,239) was owed to the group by HMRC

The company has entered into a cross guarantee with certain other group companies to secure the banking arrangements of the group

13 Related party transactions

Limerick HK Ltd is a company that is related to a shareholder. During the year commissions were paid to this company totalling \$489,934 (2012 - \$635,405)

Mr S S Lim, a director of A & M Minerals and Metals Limited and A & M Group Limited, has an interest in Metal Reclamation Industries Sdn Bhd ("MRI"). During the year ended 30 June 2013 sales to this company were \$nil (2012 - \$228,500). At the balance sheet date the amount due from MRI was \$nil (2012 - \$nil)

The Company has taken advantage of the exemption under Financial Reporting Standard 8, "Related Party Disclosures", and has not reported transactions with fellow group undertakings

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

A & M Minerals Limited

Notes forming part of the financial statements for the year ended 30 June 2013 (*continued*)

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

A & M Minerals Limited

The page which follows does not
form part of the statutory
financial statements of the company

A & M Minerals Limited

Detailed profit and loss account for the year ended 30 June 2013

	2013 \$	2013 \$	2012 \$	2012 \$
Turnover		112,034,685		138,208,876
Cost of sales		(108,466,568)		(132,893,539)
Gross profit		3,568,117		5,315,337
Administrative expenses				
Bank charges	440		3,271	
Currency translation	66,211		-	
Legal and professional	-		1,777	
Miscellaneous	4,485		13,235	
Management charge	2,438,130		2,933,577	
Insurance	-		29,195	
Projects	551,421		43,410	
Courier	-		2,971	
		(3,060,687)		(3,027,436)
Operating profit		507,430		2,287,901
Interest payable and similar charges		(262,399)		(433,111)
Profit on ordinary activities before tax		245,031		1,854,790
Taxation on profit from ordinary activities		(165,351)		(480,582)
Profit on ordinary activities after tax		79,680		1,374,208