

Company Registration No. 04213387 (England and Wales)

A & M MINERALS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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A & M MINERALS LIMITED

COMPANY INFORMATION

Director	O C Norris
Secretary	O C Norris
Company number	04213387
Registered office	Apex Yard 29-35 Long Lane London SE1 4PL
Auditor	D Lee & Co. 2nd Floor Premier House 309 Ballards Lane London N12 8LY
Business address	Apex Yard 29-35 Long Lane London SE1 4PL

A & M MINERALS LIMITED

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A & M MINERALS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The director presents the strategic report for the year ended 30 June 2017.

Fair review of the business

The company has had a stable profitable year of trading for the year ended 30 June 2016. All tin trades have been hedged on the London Metal Exchange and all of our non-tin trades have been carried out on a back to back basis. We have continued to keep the overheads low.

Principal risks and uncertainties

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 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 the cash flow and the available balance of the trading facility on a daily basis and regularly adjusts the amount it needs to borrow in accordance with what is required which also helps to lower the indirect trading costs.

Credit risk

The company's trade debtors are well established business in the commodities world and regular credit checks are performed on all major customers.

Price risk

The company is exposed to changes in the market prices of its stock. In order to protect against adverse price movements, the company uses forward agreements where possible to lock in the price of stock and periodically reviews its agreements with suppliers to ensure these are on commercially favourable terms.

Development and performance

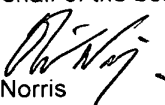
Adequate finance has been obtained to take advantage of business opportunities and the director considers the state of affairs to be under control in what will continue to be challenging market conditions.

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

Key performance indicators

Turnover	\$58,350,152 [2016: \$35,419,826]
Gross profit/loss	\$2,265,149 [2016: (\$2,258,548)]
Profit/(loss) after tax	\$763,916 [2016: (\$245,783)]
Net current liabilities	\$183,417 [2016: \$947,333]

On behalf of the board


O C Norris

Director

1 November 2017

A & M MINERALS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The director presents his annual report and financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the company continued to be that of trading of minerals and metals.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

O C Norris

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

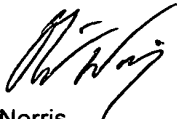
Auditor

In accordance with the company's articles, a resolution proposing that D Lee & Co. be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



O C Norris

Director

1 November 2017

A & M MINERALS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

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.

A & M MINERALS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A & M MINERALS LIMITED

Opinion

We have audited the financial statements of A & M Minerals Limited (the 'company') for the year ended 30 June 2017 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

A & M MINERALS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A & M MINERALS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



**D Lee (Senior Statutory Auditor)
for and on behalf of D Lee & Co.**

**Chartered Certified Accountants
Statutory Auditor**

3/11/2017

2nd Floor
Premier House
309 Ballards Lane
London
N12 8LY

A & M MINERALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Turnover	3	58,350,152	35,419,826
Cost of sales		(56,085,003)	(33,161,281)
Gross profit		<u>2,265,149</u>	<u>2,258,545</u>
Administrative expenses		(1,152,980)	(1,767,257)
Operating profit	4	<u>1,112,169</u>	<u>491,288</u>
Interest payable and similar expenses	6	(348,253)	(246,722)
Profit before taxation		<u>763,916</u>	<u>244,566</u>
Tax on profit	7	-	1,217
Profit for the financial year		<u><u>763,916</u></u>	<u><u>245,783</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

A & M MINERALS LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Profit for the year	763,916	245,783
Other comprehensive income	-	-
Total comprehensive income for the year	<u>763,916</u>	<u>245,783</u>


A & M MINERALS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 \$	\$	2016 \$	\$
Current assets					
Stocks	9	13,246,086		9,630,655	
Debtors	10	8,980,159		11,410,689	
Cash at bank and in hand		1,222,425		1,139,745	
		<u>23,448,670</u>		<u>22,181,089</u>	
Creditors: amounts falling due within one year	11	<u>(23,632,087)</u>		<u>(23,128,422)</u>	
Net current liabilities			<u>(183,417)</u>		<u>(947,333)</u>
Capital and reserves					
Called up share capital	13		142		142
Profit and loss reserves			<u>(183,559)</u>		<u>(947,475)</u>
Total equity			<u>(183,417)</u>		<u>(947,333)</u>

The financial statements were approved and signed by the director and authorised for issue on 1 November 2017



O C Norris
Director

Company Registration No. 04213387

A & M MINERALS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Share capital	Profit and loss reserves	Total
	\$	\$	\$
Balance at 1 July 2015	142	(1,193,258)	(1,193,116)
Year ended 30 June 2016:			
Profit and total comprehensive income for the year	-	245,783	245,783
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2016	142	(947,475)	(947,333)
Year ended 30 June 2017:			
Profit and total comprehensive income for the year	-	763,916	763,916
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	<hr/> <hr/> 142	<hr/> <hr/> (183,559)	<hr/> <hr/> (183,417)

A & M MINERALS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	\$	2016 \$	\$
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	17	(1,569,067)		1,102,048	
Interest paid		(348,253)		(246,722)	
Income taxes (paid)/refunded		-		1,217	
Net cash (outflow)/inflow from operating activities		(1,917,320)		856,543	
Net cash used in investing activities		-		-	
Net cash used in financing activities		-		-	
Net (decrease)/increase in cash and cash equivalents		(1,917,320)		856,543	
Cash and cash equivalents at beginning of year		(7,360,255)		(8,216,798)	
Cash and cash equivalents at end of year		(9,277,575)		(7,360,255)	
Relating to:					
Cash at bank and in hand		1,222,425		1,139,745	
Bank overdrafts included in creditors payable within one year		(10,500,000)		(8,500,000)	

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

A & M Minerals Limited is a private company limited by shares incorporated in England and Wales. The registered office is Apex Yard, 29-35 Long Lane, London, SE1 4PL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include stock at market value and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell with the exception of stocks of tin which are included in the balance sheet at market value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

Tin is accounted at market value 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Forward contract recognition

Forward contracts at the balance sheet date are valued against market value at the balance sheet 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 \$	2016 \$
Turnover analysed by class of business		
Sales of goods	58,350,152	35,419,826
	<u>58,350,152</u>	<u>35,419,826</u>
	2017 \$	2016 \$
Turnover analysed by geographical market		
World market	58,350,152	35,419,826
	<u>58,350,152</u>	<u>35,419,826</u>

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

4 Operating profit

	2017 \$	2016 \$
Operating profit for the year is stated after charging:		
Exchange losses	4,241	323,836
Cost of stocks recognised as an expense	56,085,003	33,161,281
	<u>56,085,003</u>	<u>33,161,281</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to \$4,241 (2016 - \$323,836).

5 Auditor's remuneration

	2017 \$	2016 \$
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	9,751	10,042
	<u>9,751</u>	<u>10,042</u>
For other services		
Taxation compliance services	2,600	2,678
	<u>2,600</u>	<u>2,678</u>

6 Interest payable and similar expenses

	2017 \$	2016 \$
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	348,253	246,722
	<u>348,253</u>	<u>246,722</u>

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

7 Taxation

	2017	2016
	\$	\$
Current tax		
Adjustments in respect of prior periods	-	(1,217)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	\$	\$
Profit before taxation	763,916	244,566
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	152,783	48,913
Tax effect of utilisation of tax losses not previously recognised	-	(48,913)
Unutilised tax losses carried forward	(152,783)	-
Adjustments in respect of prior years	-	(1,217)
Taxation charge/(credit) for the year	-	(1,217)

8 Financial instruments

	2017	2016
	\$	\$
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,230,368	10,240,340
Carrying amount of financial liabilities		
Measured at amortised cost	23,632,087	23,128,422

9 Stocks

	2017	2016
	\$	\$
Finished goods and goods for resale	13,246,086	9,630,655

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

10 Debtors

	2017 \$	2016 \$
Amounts falling due within one year:		
Trade debtors	4,959,807	5,030,314
Amounts due from group undertakings	-	2,939,407
Other debtors	2,284,380	2,278,965
Prepayments and accrued income	1,735,972	1,162,003
	<u>8,980,159</u>	<u>11,410,689</u>

11 Creditors: amounts falling due within one year

	Notes	2017 \$	2016 \$
Bank loans and overdrafts	12	10,500,000	8,500,000
Trade creditors		4,190,433	3,867,790
Amounts due to group undertakings		5,022,850	8,554,912
Other creditors		350	14,765
Accruals and deferred income		3,918,454	2,190,955
		<u>23,632,087</u>	<u>23,128,422</u>

12 Loans and overdrafts

	2017 \$	2016 \$
Bank overdrafts	<u>10,500,000</u>	<u>8,500,000</u>
Payable within one year	<u>10,500,000</u>	<u>8,500,000</u>

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

13 Share capital

	2017 \$	2016 \$
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1.42 each	<u>142</u>	<u>142</u>
	<u>142</u>	<u>142</u>

A & M MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

14 Financial commitments, guarantees and 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 entered into a cross guarantee with certain other group companies to secure the banking arrangement of the group.

There are no financial commitments and contingent liabilities.

15 Related party transactions

At 30 June 2017, the company was owed \$2,270,376 (2016: \$2,270,376) by A & M Myanmar Limited, a company incorporated in Myanmar and in which Mr S S Lim is a director and owns 75% of the issued share capital. The amount represents a prepayment on a commodity purchase contract. The amount is repayable on demand.

16 Controlling party

For the whole 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. It holds 100% of the company shares. The ultimate controlling party is Mr S S Lim.

Copies of the consolidated accounts of A & M Group Limited are available from Apex Yard, 29-25 Long Lane, London SE1 4PL.

17 Cash generated from operations

	2017 \$	2016 \$
Profit for the year after tax	763,916	245,783
Adjustments for:		
Taxation charged/(credited)	-	(1,217)
Finance costs	348,253	246,722
Movements in working capital:		
(Increase) in stocks	(3,615,431)	(3,750,516)
Decrease/(increase) in debtors	2,436,003	(2,084,077)
(Decrease)/increase in creditors	(1,501,808)	6,445,353
Cash (absorbed by)/generated from operations	(1,569,067)	1,102,048