

COMPANY REGISTRATION NUMBER: 4278981

Global Metcorp Limited
Financial Statements
31 March 2017



KING & KING
Chartered Accountants & Statutory Auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

Global Metcorp Limited

Financial Statements

Year ended 31 March 2017

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Global Metcorp Limited
Officers and Professional Advisers

The board of directors

Mr A Chaudhari
Mr R Choudhary
Mr G Chaudhary

Company secretary

Mr Ritesh Shah

Registered office

55 Lowlands Road
Grove House
Harrow on the hill
Middlesex
HA1 3AW

Auditor

King & King
Chartered Accountants & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

Bankers

Santander
4th Floor, Santander House
100 Ludgate Hill
London
EC4M 7RE

Barclays Bank plc
Acorn House
36 - 38 Park Royal Road
London
NW10 7JA

Lloyds TSB
10 Gresham Street
London
EC2V 7AE

Global Metcorp Limited

Strategic Report

Year ended 31 March 2017

The Directors have pleasure in presenting their Strategic Report and the financial statements of Global Metcorp Ltd for the year ended 31st March 2017.

Principal activity and business review

The principal activity of the company continued to be that of a commodity trader.

The board of directors are satisfied with the performance of the company during the financial year ended 31st March 2017 and consider it operationally successful year.

During the year, turnover was increased by 43% compared to previous year as the market recovered from the price rout which had overshadowed the company's trading in the previous year. However, the market continued to be supply driven therefore the gross profit margin decreased from 1.39% in the previous year to 1.13% in the current year.

Key performance indicators

The directors have identified the following key performance indicators to help and understand and measure the performance of the company:

	2017	2016
	£	£
Revenue (In Millions)	240.84	167.33
Operating profit (In Millions)	1.8	1.4
Gross operating margin (%)	1.13	1.39
Trade debtor days	38	31
Trade creditor days	43	48
Current ratio	1.24	1.30

Future developments

Based on the current trading position, the board is optimistic that the company will deliver a good performance result in the coming year.

Global Metcorp Limited

Strategic Report *(continued)*

Year ended 31 March 2017

Financial risk management objectives and policies

All businesses are subject to risks and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets. The principal financial risks to which the company is exposed are those of liquidity, market condition, credit, cashflow and foreign currency. Each of these risks are managed in accordance with board approved policies which are set out below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

Liquidity Risk:

The company manages liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements. Specifically, the company uses export line facility and forward exchange contract facility from a bank. The directors review the company's on going liquidity risks regularly and constantly keep a tab on debtors receivable and creditors payable.

Economic, market and price risk:

The company's performance is directly impacted by the economic environment. The company operates in a highly competitive market and price competition can adversely affect the company's result. The company endeavour to manage price risk by placing purchase order with supplier only after some degree of assurance is achieved for the sale of the goods being ordered. The company also aims to maintain only a minimum level of stock in hand.

Credit Risk:

The company is at risk of exposure to financial losses should a counter party fail to meet its obligations as and when they fall due. The credit risk is managed by setting credit limits as deemed appropriate for each customer. Where appropriate, the company endeavours to minimise risks by the use of trade finance instruments such as letters of credit.

Cash flow Risk:

The company is reliant on timely receipts from customers and short term borrowings from banks to manage its cash flow. The directors closely monitor cash flow position.

Foreign currency Risk:

The company has transactional currency exposures arising from sales and purchases in foreign currencies. The company hedges some of the foreign currency risk by using forward exchange contracts and also by operating US dollar and Euro bank accounts to mitigate the exchange risk.

Going concern

The Directors, having reviewed the accounts and after making appropriate enquiries, consider that the company has adequate resources to continue in the operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Global Metcorp Limited

Strategic Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 7 September 2017 and signed on behalf of the board by:



Mr A Chaudhari

Director

**Registered office:
55 Lowlands Road
Grove House
Harrow on the hill
Middlesex
HA1 3AW**

Global Metcorp Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the company for the year ended 31 March 2017.

Directors

The directors who served the company during the year were as follows:

Mr A Chaudhari
Mr R Choudhary
Mr G Chaudhary

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

Strategic report has been provided in pages 2 to 4 of these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Global Metcorp Limited

Directors' Report *(continued)*

Year ended 31 March 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 7 September 2017 and signed on behalf of the board by:



Mr A Chaudhari

Director

**Registered office:
55 Lowlands Road
Grove House
Harrow on the hill
Middlesex
HA1 3AW**

Global Metcorp Limited

Independent Auditor's Report to the Members of Global Metcorp Limited

Year ended 31 March 2017

We have audited the financial statements of Global Metcorp Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Global Metcorp Limited

Independent Auditor's Report to the Members of Global Metcorp Limited (continued)

Year ended 31 March 2017

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.



MR MILANKUMAR H PATEL (Senior Statutory Auditor)

For and on behalf of
King & King
Chartered Accountants & statutory auditor
First Floor Roxburghe House
273-287 Regent Street
London
W1B 2HA

7 September 2017

Global Metcorp Limited
Statement of Comprehensive Income
Year ended 31 March 2017

	Note	2017 £	2016 £
Turnover	4	240,844,511	167,333,674
Cost of sales		<u>238,113,981</u>	<u>165,004,667</u>
Gross profit		2,730,530	2,329,007
Administrative expenses		<u>857,834</u>	<u>906,892</u>
Operating profit	5	1,872,696	1,422,115
Interest receivable	9	38,972	8,483
Interest payable	10	<u>251,771</u>	<u>264,042</u>
Profit before taxation		1,659,897	1,166,556
Taxation on ordinary activities	12	<u>357,010</u>	<u>261,184</u>
Profit for the financial year and total comprehensive income		<u>1,302,887</u>	<u>905,372</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

Global Metcorp Limited
Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	45,080	68,553
Investments	15	50	50
		<u>45,130</u>	<u>68,603</u>
Current assets			
Stocks	16	4,627,999	5,436,831
Debtors	17	42,864,306	27,401,057
Cash at bank and in hand		972,705	1,592,829
		<u>48,465,010</u>	<u>34,430,717</u>
Creditors: amounts falling due within one year	19	<u>39,210,200</u>	<u>26,466,749</u>
Net current assets		<u>9,254,810</u>	<u>7,963,968</u>
Total assets less current liabilities		<u>9,299,940</u>	<u>8,032,571</u>
Creditors: amounts falling due after more than one year	20	458,000	458,000
Provisions			
Taxation including deferred tax	21	6,482	—
Net assets		<u>8,835,458</u>	<u>7,574,571</u>
Capital and reserves			
Called up share capital	24	250,600	250,600
Profit and loss account	25	8,584,858	7,323,971
Members funds		<u>8,835,458</u>	<u>7,574,571</u>

These financial statements were approved by the board of directors and authorised for issue on 7 September 2017, and are signed on behalf of the board by:



Mr A Chaudhari
Director

Company registration number: 4278981

The notes on pages 13 to 24 form part of these financial statements.

Global Metcorp Limited
Statement of Changes in Equity
Year ended 31 March 2017

		Called up share capital £	Profit and loss account £	Total £
At 1 April 2015		250,600	6,505,599	6,756,199
Profit for the year			905,372	905,372
Total comprehensive income for the year		—	905,372	905,372
Dividends paid and payable	13	—	(87,000)	(87,000)
Total investments by and distributions to owners		—	(87,000)	(87,000)
At 31 March 2016		250,600	7,323,971	7,574,571
Profit for the year			1,302,887	1,302,887
Total comprehensive income for the year		—	1,302,887	1,302,887
Dividends paid and payable	13	—	(42,000)	(42,000)
Total investments by and distributions to owners		—	(42,000)	(42,000)
At 31 March 2017		<u>250,600</u>	<u>8,584,858</u>	<u>8,835,458</u>

The notes on pages 13 to 24 form part of these financial statements.

Global Metcorp Limited

Statement of Cash Flows

Year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		1,302,887	905,372
<i>Adjustments for:</i>			
Depreciation of tangible assets		23,473	27,075
Interest receivable		(38,972)	(8,483)
Interest payable		251,771	264,042
Taxation on ordinary activities		357,010	261,184
Accrued (income)/expenses		(128,898)	124,148
<i>Changes in:</i>			
Stocks		808,832	(610,027)
Trade and other debtors		(15,463,249)	(6,655,126)
Trade and other creditors		7,241,912	3,572,434
Cash generated from operations		(5,645,234)	(2,119,381)
Interest paid		(251,771)	(264,042)
Interest received		38,972	8,483
Tax paid		(221,180)	(162,220)
Net cash used in operating activities		<u>(6,079,213)</u>	<u>(2,537,160)</u>
Cash flows from investing activities			
Purchase of tangible assets		—	(6,622)
Net cash used in investing activities		<u>—</u>	<u>(6,622)</u>
Cash flows from financing activities			
Proceeds from borrowings		(206,035)	(49,589)
Proceeds from loans from group undertakings		364,100	96,335
Dividends paid		(42,000)	(87,000)
Net cash from/(used in) financing activities		<u>116,065</u>	<u>(40,254)</u>
Net decrease in cash and cash equivalents		(5,963,148)	(2,584,036)
Cash and cash equivalents at beginning of year		(3,288,331)	(704,295)
Cash and cash equivalents at end of year	18	<u>(9,251,479)</u>	<u>(3,288,331)</u>

The notes on pages 13 to 24 form part of these financial statements.

Global Metcorp Limited
Notes to the Financial Statements
Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 55 Lowlands Road, Grove House, Harrow on the hill, Middlesex, HA1 3AW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Foreign currencies

Foreign currency transactions are initially recorded in the presentational currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

The entity's functional currency is US Dollar and the presentational currency is Sterling. The entity has chosen Sterling as the presentational currency due to the fact that the company is owned by a parent company based in the UK.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	20% straight line
Fixture, fittings and equipment	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

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

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	<u>240,844,511</u>	<u>167,333,674</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

4. Turnover *(continued)*

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017	2016
	£	£
United Kingdom	160,089	90,170
Overseas	240,684,422	167,243,504
	<u>240,844,511</u>	<u>167,333,674</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	<u>23,473</u>	<u>27,075</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>13,500</u>	<u>12,000</u>
Fees payable to the company's auditor and its associates for other services: Accountancy & taxation services	<u>4,000</u>	<u>4,000</u>

7. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Administrative staff	14	11
Management staff	<u>3</u>	<u>3</u>
	<u>17</u>	<u>14</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	328,598	320,229
Social security costs	25,494	29,696
Other pension costs	1,509	2,439
	<u>355,601</u>	<u>352,364</u>

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	<u>30,000</u>	<u>42,135</u>

9. Interest receivable

	2017	2016
	£	£
Interest on loans and receivables	38,873	8,308
Interest on bank deposits	99	175
	<u>38,972</u>	<u>8,483</u>

10. Interest payable

	2017	2016
	£	£
Interest on banks loans and overdrafts	150,490	109,122
Dividends paid on shares classed as debt	54,960	109,920
Other interest payable and similar charges	46,321	45,000
	<u>251,771</u>	<u>264,042</u>

11. Exchange difference

Exchange difference recognised in Income Statement:

	2017	2016
	£	£
Exchange gain	709,168	288,995

12. Taxation on ordinary activities

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	350,528	261,184
Deferred tax:		
Origination and reversal of timing differences	6,482	—
Taxation on ordinary activities	<u>357,010</u>	<u>261,184</u>

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

12. Taxation on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>1,659,897</u>	<u>1,166,556</u>
Profit on ordinary activities by rate of tax	331,979	233,311
Effect of expenses not deductible for tax purposes	14,243	24,256
Effect of capital allowances and depreciation	<u>10,788</u>	<u>3,617</u>
Tax on profit	<u>357,010</u>	<u>261,184</u>

13. Dividends

Equity dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on equity shares	<u>42,000</u>	<u>87,000</u>

Dividends on shares classed as debt

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Dividends on shares classed as debt	<u>54,960</u>	<u>109,920</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2017

14. Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2016 and 31 March 2017	<u>63,349</u>	<u>143,268</u>	<u>206,617</u>
Depreciation			
At 1 April 2016	38,010	100,054	138,064
Charge for the year	<u>12,670</u>	<u>10,803</u>	<u>23,473</u>
At 31 March 2017	<u>50,680</u>	<u>110,857</u>	<u>161,537</u>
Carrying amount			
At 31 March 2017	<u>12,669</u>	<u>32,411</u>	<u>45,080</u>
At 31 March 2016	<u>25,339</u>	<u>43,214</u>	<u>68,553</u>

15. Investments

	Other investments other than loans £
Cost	
At 1 April 2016 and 31 March 2017	<u>50</u>
Impairment	
At 1 April 2016 and 31 March 2017	<u>-</u>
Carrying amount	
At 31 March 2017	<u>50</u>

Investments in associates and joint ventures

The above investment represents 50% ownership in the ordinary share capital of Grove House Harrow Limited, a company incorporated in England & Wales. Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity. The company's interest in Grove House Harrow Limited will be consolidated in the group accounts of Greta Investments Ltd, the ultimate parent undertaking. During the year, the company did not receive any dividend income from Grove House Harrow Limited, hence no income has been recognised.

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

16. Stocks

	2017	2016
	£	£
Finished goods	<u>4,627,999</u>	<u>5,436,831</u>

17. Debtors

	2017	2016
	£	£
Trade debtors	25,294,533	14,180,747
Amounts owed by group undertakings	50,611	50,611
Prepayments and accrued income	18,543	–
Other debtors	17,500,619	13,169,699
	<u>42,864,306</u>	<u>27,401,057</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	972,705	1,592,829
Bank overdrafts	(10,224,184)	(4,881,160)
	<u>(9,251,479)</u>	<u>(3,288,331)</u>

19. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	10,224,184	4,881,160
Payments received on account	903,947	313,624
Trade creditors	25,603,666	19,692,515
Amounts owed to group undertakings	555,008	190,908
Accruals and deferred income	19,500	148,398
Corporation tax	228,312	98,964
Social security and other taxes	7,434	11,299
Director loan accounts	51,379	257,414
Other creditors	1,616,770	872,467
	<u>39,210,200</u>	<u>26,466,749</u>

Bank overdraft is secured by fixed and floating charge over the assets of the company and the assets of Ardour World Limited, a related company, and Grove House Harrow Limited, an associated company, by way of an unlimited cross guarantee. Mr A Chaudhari, a director, and Mr S Goyal, a director of Ardour World Ltd have also provided a joint personal guarantee of US\$500,000.

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

20. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Shares classed as financial liabilities	<u>458,000</u>	<u>458,000</u>

Shares classed as financial liabilities relates to non-cumulative redeemable preference shares which are redeemable before the year 2035 following a 3 months notice period.

21. Provisions

	Deferred tax (note 22) £
At 1 April 2016	–
Additions	<u>6,482</u>
At 31 March 2017	<u>6,482</u>

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 21)	<u>6,482</u>	<u>–</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	<u>6,482</u>	<u>–</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,509 (2016: £2,439).

24. Called up share capital

Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

24. Called up share capital *(continued)*

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £1 each	<u>250,600</u>	<u>250,600</u>	<u>250,600</u>	<u>250,600</u>
Amounts presented in liabilities:				
Preference shares of £1 each	<u>458,000</u>	<u>458,000</u>	<u>458,000</u>	<u>458,000</u>

25. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

26. Contingencies

At the balance sheet date, the company has provided a bank guarantee to The Environment Agency for an amount of £440,238 in respect of its environmental responsibility. The company has fulfilled its responsibility without a major cost to it and is in the process of revoking the bank guarantee and therefore no actual liability is expected at the year end.

27. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Chaudhari	(31,204)	(477,976)	507,580	(1,600)
Mr R Choudhary	(40,879)	(30,210)	37,960	(33,129)
Mr G Chaudhary	(185,331)	(287,599)	456,280	(16,650)
	<u>(257,414)</u>	<u>(795,785)</u>	<u>1,001,820</u>	<u>(51,379)</u>

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Chaudhari	(149,055)	(87,000)	204,851	(31,204)
Mr R Choudhary	(30,210)	(57,270)	46,601	(40,879)
Mr G Chaudhary	(127,738)	(79,212)	21,619	(185,331)
	<u>(307,003)</u>	<u>(223,482)</u>	<u>273,071</u>	<u>(257,414)</u>

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

28. Related party transactions

Ardour World Limited is related to the company by virtue of a common director and shareholder. Mr A Chaudhari, a common Director, and Mr S Goyal, a director of Ardour world Limited have provided a joint personal guarantee of US\$ 500,000 to secure overdraft facility from a bank. Ardour World Limited and the company has provided a cross guarantee against each other's full indebtedness to banks, the amount of Ardour World Limited's loan guaranteed by the company under the said cross guarantee at the balance sheet date was £5,516,260 (2016: £3,623,840).

Global Metcorp LLC is a group company owned by a common parent company, Greta Investment Ltd. The company owed £555,008 (2016: 190,908) to Global Metcorp LLC at the balance sheet date in short term loans.

Grove House Harrow Limited is an associate (50% holding) jointly owned by the company with Ardour World Limited. The company has acquired a short lease from Grove House Harrow Limited for its office premises at an annual rent of £41,000 per annum in joint tenancy with Ardour World Ltd. During the year the company paid £31,860 (2016: £32,000) to Grove House Harrow Ltd towards the rent and service charges for leased office premise. Greta Investments Ltd, ultimate parent company, owed £50,611 at the balance sheet date (2016: £50,611).

All balances due to or owed from related parties at the balance sheet date are expected to be settled in cash through bank transfers.

29. Ultimate parent company

Greta Investments Ltd is the ultimate parent company.

The largest and smallest group in which the results of the company are consolidated is headed by Greta Investments Limited, a company incorporated in England. The consolidated financial statements of this group will be publicly available at Companies House, Crown Way, Cardiff, CF14 3UZ.