

Registered number: 05172297

Sepro Mineral Processing International Limited

Director's report and financial statements

for the year ended 30 November 2016

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Sepro Mineral Processing International Limited

Company Information

Director K Kirk

Registered number 05172297

Registered office Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Independent auditor Kreston Reeves LLP
Statutory Auditor & Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers National Westminster Bank plc
91 High Street
Maidstone
Kent
ME14 1SA

Sepro Mineral Processing International Limited

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Sepro Mineral Processing International Limited

Director's report for the year ended 30 November 2016

The director presents his report and the audited financial statements for the year ended 30 November 2016.

Director's responsibilities statement

The director is responsible for preparing the Director's 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 judgments and accounting estimates that are reasonable and prudent;
- 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 him 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.

Principal activity

The company's principal activity is the provision of mining products and services.

Director

The director who served during the year was:

K Kirk

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Sepro Mineral Processing International Limited

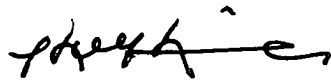
**Director's report
for the year ended 30 November 2016**

Auditor

The auditor, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on **4 April 2017** and signed on its behalf.



K Kirk
Director

Sepro Mineral Processing International Limited

Independent auditor's report to the shareholders of Sepro Mineral Processing International Limited

We have audited the financial statements of Sepro Mineral Processing International Limited for the year ended 30 November 2016, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 director and auditor

As explained more fully in the Director's responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's 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 30 November 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sepro Mineral Processing International Limited

Independent auditor's report to the shareholders of Sepro Mineral Processing International Limited

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.



Allan Pinner FCCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

5 April 2017

Sepro Mineral Processing International Limited

**Profit and loss account
for the year ended 30 November 2016**

	Note	2016 £	2015 £
Turnover	1	564,343	446,549
Cost of sales		(357,456)	(291,332)
Gross profit		206,887	155,217
Distribution costs		(1,622)	(386)
Administrative expenses		(237,198)	(137,187)
Operating (loss)/profit	3	(31,933)	17,644
Interest receivable and similar income		-	10
(Loss)/profit on ordinary activities before taxation		(31,933)	17,654
Tax on (loss)/profit on ordinary activities	4	6,312	(3,612)
(Loss)/profit for the financial year	11	(25,621)	14,042

The notes on pages 7 to 12 form part of these financial statements.

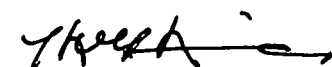
Sepro Mineral Processing International Limited
Registered number: 05172297

Balance sheet
as at 30 November 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	5		11,047		2,086
Current assets					
Stocks	6	135,434		179,261	
Debtors	7	263,506		253,804	
Cash at bank and in hand		190,538		24,365	
		<u>589,478</u>		<u>457,430</u>	
Creditors: amounts falling due within one year	8	<u>(257,204)</u>		<u>(92,366)</u>	
Net current assets			<u>332,274</u>		<u>365,064</u>
Total assets less current liabilities			<u>343,321</u>		<u>367,150</u>
Provisions for liabilities					
Deferred tax	9		<u>(2,209)</u>		<u>(417)</u>
Net assets			<u><u>341,112</u></u>		<u><u>366,733</u></u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		<u>341,110</u>		<u>366,731</u>
Shareholders' funds	12		<u><u>341,112</u></u>		<u><u>366,733</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
4 April 2017.



K Kirk
Director

The notes on pages 7 to 12 form part of these financial statements.

**Notes to the financial statements
for the year ended 30 November 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

1.3 Turnover

Turnover comprises revenue due from the normal activities of the business to the extent that the seller obtains a right to consideration in exchange for its performance of those activities, exclusive of VAT.

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise the uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	- 25% reducing balance
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1.5 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Sepro Mineral Processing International Limited

Notes to the financial statements for the year ended 30 November 2016

1. Accounting policies (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen. Excess progress payments are included in creditors as payments on account.

2. Turnover

96.5% of the company's turnover (2015 - 93.8%) is attributable to geographical markets outside the United Kingdom.

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	4,734	3,197
Auditor's remuneration	6,815	6,590

During the year, the director did not receive any emoluments (2015 - £NIL).

Sepro Mineral Processing International Limited

Notes to the financial statements for the year ended 30 November 2016

4. Taxation

	2016 £	2015 £
Analysis of tax (credit)/charge in the year		
Current tax		
UK corporation tax (credit)/charge on (loss)/profit for the year	(8,104)	9,121
Deferred tax (see note 9)		
Origination and reversal of timing differences	1,792	(5,509)
Tax on (loss)/profit on ordinary activities	<u>(6,312)</u>	<u>3,612</u>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2015 - 20%).

There were no factors that may affect future tax charges.

5. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 December 2015	14,719
Additions	13,695
At 30 November 2016	<u>28,414</u>
Depreciation	
At 1 December 2015	12,633
Charge for the year	4,734
At 30 November 2016	<u>17,367</u>
Net book value	
At 30 November 2016	<u>11,047</u>
At 30 November 2015	<u>2,086</u>

6. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>135,434</u>	<u>179,261</u>

Sepro Mineral Processing International Limited

Notes to the financial statements for the year ended 30 November 2016

7. Debtors

	2016 £	2015 £
Trade debtors	45,855	39,565
Amounts owed by group undertakings	185,732	185,930
Other debtors	31,919	28,309
	<u>263,506</u>	<u>253,804</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	16,457	69,220
Amounts owed to group undertakings	227,418	1,051
Corporation tax	-	9,121
Other creditors	13,329	12,974
	<u>257,204</u>	<u>92,366</u>

9. Deferred taxation

	2016 £	2015 £
At beginning of year	417	5,926
(Released during)/charge for year	1,792	(5,509)
	<u>2,209</u>	<u>417</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>2,209</u>	<u>417</u>

10. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Sepro Mineral Processing International Limited

Notes to the financial statements for the year ended 30 November 2016

11. Reserves

	Profit and loss account £
At 1 December 2015	366,731
Loss for the financial year	(25,621)
	<hr/>
At 30 November 2016	341,110
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12. Reconciliation of movement in shareholders' funds

	2016 £	2015 £
Opening shareholders' funds	366,733	733,201
(Loss)/profit for the financial year	(25,621)	14,042
Dividends (Note 13)	-	(380,510)
	<hr/>	<hr/>
Closing shareholders' funds	341,112	366,733
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13. Dividends

	2016 £	2015 £
Dividends paid on equity capital	-	380,510
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14. Operating lease commitments

At 30 November 2016 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2016 £	2015 £	2016 £	Other 2015 £
Expiry date:				
Within 1 year	16,500	16,500	1,867	1,867
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Sepro Mineral Processing International Limited

Notes to the financial statements for the year ended 30 November 2016

15. Related party transactions

During the year ended 30 November 2016 the company was recharged for expenses incurred by Sepro Mineral Systems Corporation, a fellow subsidiary undertaking, amounting to £55,542 (2015: £4,836) and were repaid sums by the fellow subsidiary of £184,281 (2015: £627,070). In addition the company recharged Sepro Mineral Systems Corporation for expenses incurred on their behalf in the sum of £66,563 (2015: £96,900).

The company recharged salary costs of £54,243 (2015: £51,333) to Sepro Mineral Systems Corporation.

After allowing for exchange differences, an amount of £226,367 (2015: £82,672 debtor) due from the company at the year end to Sepro Mineral Systems Corporation and is included in note 8 to the accounts.

During the year ended 30 November 2016 the company advanced amounts totalling £82,474 (2015: £103,258) to Sepro Mineral Systems Limited, a fellow subsidiary undertaking. The amount owed by Sepro Mineral Systems Limited as at 30 November 2016 was £185,732 (2015: £103,258) and is included in note 7 to the accounts.

16. Ultimate parent undertaking and controlling party

The company's parent undertaking is Falcon Concentrators Limited, registered in Canada, of which there is no single controlling party.