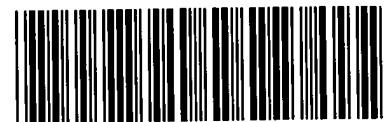


Company Registration No. 01222727 (England and Wales)

FBM METALS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

FBM METALS (UK) LIMITED

COMPANY INFORMATION

Directors	M Gawne M Wilkinson H Wilkinson
Secretary	L Hodson
Company number	01222727
Registered office	5 Beauchamp Court Victors Way London EN5 5TZ
Auditor	Evans Mockler Limited 5 Beauchamp Court Victors Way London EN5 5TZ
Business address	288 Chase Road London N14 6HF

FBM METALS (UK) LIMITED

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FBM METALS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The continual increase in LME zinc price through 2017, together with a further increase in tonnage throughput, resulted in an increase in turnover from £11.95m to £18.73m. Profits have increased accordingly. The company's reserves have also increased from £5.13m to £6.57m as shown in the Statement of Changes in Equity on page 8.

In 2018 we will see a slight fall in zinc price from 2017, however we expect there to be an increase in our throughput. With these two factors combined we expect to see a similar turnover in 2018 to that in 2017. The company's market share remains high, together with the successful development into new areas.

Principal risks and uncertainties

Changing global economic conditions continues to be the main risk affecting this business.

Development and performance

The results for the year and the financial position at the end of the year were considered to be highly satisfactory by the directors, who expect to see continued growth in the next year.

Key performance indicators

The higher metal prices and throughput are reflected in the increased gross profit of £2.68m (2016: £1.14m) being 14.33% of sales in 2017 (2016: 9.56%).

On behalf of the board



M Gawne

Director

11 July 2018

FBM METALS (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

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

Directors

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

M Gawne
M Wilkinson
H Wilkinson

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Evans Mockler Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed 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



M Gawne
Director
11 July 2018

FBM METALS (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

FBM METALS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FBM METALS (UK) LIMITED

Opinion

We have audited the financial statements of FBM Metals (UK) Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 31 December 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

FBM METALS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FBM METALS (UK) 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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, 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 directors are 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 directors 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.

Use of our 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.



Mark Cook (Senior Statutory Auditor)
for and on behalf of Evans Mockler Limited

11 July 2018

Chartered Certified Accountants
Statutory Auditor

5 Beauchamp Court
Victors Way
London
EN5 5TZ

FBM METALS (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	18,730,352	11,953,699
Cost of sales		(16,047,161)	(10,811,233)
Gross profit		2,683,191	1,142,466
Distribution costs		(19,939)	(39,159)
Administrative expenses		(966,284)	(33,288)
Operating profit		1,696,968	1,070,019
Interest receivable and similar income	6	62,852	65,955
Interest payable and similar expenses	7	(298)	(53)
Profit before taxation		1,759,522	1,135,921
Tax on profit	8	(316,357)	(227,846)
Profit for the financial year		1,443,165	908,075

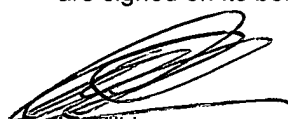
FBM METALS (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		9,189		20,356
Current assets					
Stocks	11	1,321,287		718,662	
Debtors	12	6,983,924		5,593,781	
Cash at bank and in hand		841,239		760,843	
		9,146,450		7,073,286	
Creditors: amounts falling due within one year	13	(2,583,592)		(1,964,760)	
Net current assets			6,562,858		5,108,526
Total assets less current liabilities			6,572,047		5,128,882
Capital and reserves					
Called up share capital	14		10		10
Capital redemption reserve			90		90
Profit and loss reserves			6,571,947		5,128,782
Total equity			6,572,047		5,128,882

The financial statements were approved by the board of directors and authorised for issue on 11 July 2018 and are signed on its behalf by:



H Wilkinson
Director

Company Registration No. 01222727

FBM METALS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2016	10	90	4,220,707	4,220,807
Year ended 31 December 2016:				
Profit and total comprehensive income for the year	-	-	908,075	908,075
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	10	90	5,128,782	5,128,882
Year ended 31 December 2017:				
Profit and total comprehensive income for the year	-	-	1,443,165	1,443,165
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	<hr/>	<hr/>	<hr/>	<hr/>

FBM METALS (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	17	302,007		226,620	
Interest paid		(298)		(53)	
Income taxes paid		(280,051)		(112,303)	
Net cash inflow from operating activities		<u>21,658</u>		<u>114,264</u>	
Investing activities					
Purchase of tangible fixed assets		-		(2,853)	
Proceeds on disposal of tangible fixed assets		6,500		4,700	
Interest received		<u>62,852</u>		<u>65,955</u>	
Net cash generated from investing activities		69,352		67,802	
Financing activities					
Repayment of derivatives		<u>(10,614)</u>		<u>(19,193)</u>	
Net cash used in financing activities		(10,614)		(19,193)	
Net increase in cash and cash equivalents		<u>80,396</u>		<u>162,873</u>	
Cash and cash equivalents at beginning of year		<u>760,843</u>		<u>597,970</u>	
Cash and cash equivalents at end of year		<u><u>841,239</u></u>		<u><u>760,843</u></u>	

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

FBM Metals (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Beauchamp Court, Victors Way, London, EN5 5TZ.

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 sterling, 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 the revaluation of freehold properties and to include investment properties 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 directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue 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 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. Sales are recognised when goods are dispatched to customers.

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 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% on cost
Fixtures and fittings	20% on cost
Computers	33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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 the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

1.7 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.

1.8 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.

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

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.

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.

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.

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 Taxation

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

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.

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

3 Turnover and other revenue

	2017 £	2016 £
Turnover analysed by class of business		
Metal trading	18,730,352	11,953,699
	<u> </u>	<u> </u>
	2017 £	2016 £
Other significant revenue		
Interest income	62,852	65,955
	<u> </u>	<u> </u>

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

(Continued)

	2017 £	2016 £
Turnover analysed by geographical market		
UK	623,224	345,337
Europe	14,795,661	9,879,294
Asia	3,311,467	1,729,068
	<u>18,730,352</u>	<u>11,953,699</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Directors	-	3
Other staff	1	4
	<u>1</u>	<u>7</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	37,644	122,955
Social security costs	2,868	10,917
Pension costs	1,620	-
	<u>42,132</u>	<u>133,872</u>

5 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	-	6,000
Company pension contributions to defined contribution schemes	1,620	-
	<u>1,620</u>	<u>6,000</u>

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	52	582
Interest receivable from group companies	62,800	65,373
	<u>62,852</u>	<u>65,955</u>
Total income	<u>62,852</u>	<u>65,955</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	52	582
	<u>52</u>	<u>582</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	298	53
	<u>298</u>	<u>53</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	339,306	227,322
Adjustments in respect of prior periods	(25,678)	-
	<u>313,628</u>	<u>227,322</u>
Total current tax	<u>313,628</u>	<u>227,322</u>
Deferred tax		
Origination and reversal of timing differences	2,729	524
	<u>2,729</u>	<u>524</u>
Total tax charge	<u>316,357</u>	<u>227,846</u>

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation

(Continued)

The actual charge 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	1,759,522	1,135,921
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	338,708	227,184
Tax effect of expenses that are not deductible in determining taxable profit	3,327	662
Adjustments in respect of prior years	(25,678)	-
Taxation charge for the year	316,357	227,846

9 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2017	6,338	13,200	2,852	60,750	83,140
Disposals	-	-	-	(34,750)	(34,750)
At 31 December 2017	6,338	13,200	2,852	26,000	48,390
Depreciation and impairment					
At 1 January 2017	6,337	11,900	950	43,597	62,784
Depreciation charged in the year	-	1,300	941	2,742	4,983
Eliminated in respect of disposals	-	-	-	(28,566)	(28,566)
At 31 December 2017	6,337	13,200	1,891	17,773	39,201
Carrying amount					
At 31 December 2017	1	-	961	8,227	9,189
At 31 December 2016	1	1,300	1,902	17,153	20,356

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,466,235	5,245,791
Instruments measured at fair value through profit or loss	13,234	2,620
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,394,286	1,827,284
	<u> </u>	<u> </u>

11 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,321,287	718,662
	<u> </u>	<u> </u>

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,395,809	1,985,375
Corporation tax recoverable	25,678	-
Amounts owed by group undertakings	4,066,058	3,197,044
Derivative financial instruments	13,234	2,620
Other debtors	472,929	380,147
Prepayments and accrued income	5,848	21,498
	<u> </u>	<u> </u>
	6,979,556	5,586,684
	<u> </u>	<u> </u>
	2017 £	2016 £
Amounts falling due after more than one year:		
Other debtors	4,368	7,097
	<u> </u>	<u> </u>
Total debtors	6,983,924	5,593,781
	<u> </u>	<u> </u>

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,187,349	1,009,279
Corporation tax	189,306	127,322
Other taxation and social security	-	10,154
Other creditors	147,491	1,839
Accruals and deferred income	1,059,446	816,166
	<u>2,583,592</u>	<u>1,964,760</u>

14 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
10 Ordinary shares of £1 each	10	10
	<u>10</u>	<u>10</u>

15 Related party transactions

The company is a wholly owned subsidiary of FBM Holdings Ltd and is included in the consolidated financial statements of FBM Holdings Ltd. Consequently, the company is exempt under the terms of FRS 102 'The Financial Reporting Standard' from disclosing related party transactions with FBM Holdings Ltd or subsidiaries which are 100% owned by FBM Holdings Ltd. There are no other related party transactions.

16 Controlling party

The company is ultimately controlled by H Wilkinson by virtue of his majority shareholding in the parent company FBM Holdings Ltd. The registered address for the company and FBM Holdings Ltd, the parent, is 5 Beauchamp Court, Victors Way, London, EN5 5TZ.

FBM METALS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,443,165	908,075
Adjustments for:		
Taxation charged	316,357	227,846
Finance costs	298	53
Investment income	(62,852)	(65,955)
Gain on disposal of tangible fixed assets	(316)	(213)
Depreciation and impairment of tangible fixed assets	4,982	7,184
Movements in working capital:		
(Increase)/decrease in stocks	(602,625)	168,846
(Increase) in debtors	(1,353,850)	(1,560,899)
Increase in creditors	556,848	541,683
Cash generated from operations	<u>302,007</u>	<u>226,620</u>

FBM METALS (UK) LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

FBM METALS (UK) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016
	£	£	£	£
Turnover				
Sales of goods		18,730,352		11,953,699
Cost of sales				
Opening stock of finished goods	718,662		887,508	
Materials	13,668,268		8,168,213	
Processing	1,848,318		1,271,851	
Freight, warehouse & clearing charges	1,133,200		1,202,323	
Closing stock of finished goods	(1,321,287)		(718,662)	
		<u>(16,047,161)</u>		<u>(10,811,233)</u>
Gross profit	14.33%	2,683,191	9.56%	1,142,466
Distribution costs	19,939		39,159	
Administrative expenses	966,284		33,288	
		<u>(986,223)</u>		<u>(72,447)</u>
Operating profit		1,696,968		1,070,019
Investment revenues				
Interest receivable from group companies	62,800		65,373	
Bank interest received	52		582	
		<u>62,852</u>		<u>65,955</u>
Interest payable and similar expenses				
Bank interest on loans and overdrafts		<u>(298)</u>		<u>(53)</u>
Profit before taxation	9.39%	<u>1,759,522</u>	9.50%	<u>1,135,921</u>

FBM METALS (UK) LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Distribution costs		
Commissions payable	17,659	24,799
Motor running expenses	575	8,266
Travelling expenses	84	2,787
Entertaining	1,621	3,307
	<u>19,939</u>	<u>39,159</u>
Administrative expenses		
Wages and salaries	19,985	92,156
Social security costs	2,868	10,917
Staff healthcare	8,652	7,866
Staff welfare	792	2,425
Staff training	3,375	2,464
Directors' remuneration	-	6,000
Directors' pension costs	1,620	-
Management charge	656,667	-
Rent	15,983	16,000
Rates & services	15,846	15,232
Cleaning	1,231	831
Waste disposal	605	-
Repairs and maintenance	15,815	1,715
Equipment maintenance	2,102	5,799
Subscriptions	11,419	4,445
Legal and professional fees	14,284	11,648
Accountancy fees	4,750	-
Audit fees	15,000	26,250
Charitable donations	100	-
Bank charges	9,751	10,117
Insurance	74,456	15,592
Printing and stationery	3,404	2,457
Bookkeeping fees	6,760	11,500
Advertising	2,724	-
Telecommunications	7,927	7,569
Sundry expenses	2,125	279
Depreciation	4,983	7,184
Profit or loss on sale of tangible assets	(316)	(213)
Profit or loss on foreign exchange	63,376	(224,945)
	<u>966,284</u>	<u>33,288</u>