

Company Registration No. 01222727 (England and Wales)

**FBM METALS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# **FBM METALS (UK) LIMITED**

## **COMPANY INFORMATION**

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

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# **FBM METALS (UK) LIMITED**

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# **FBM METALS (UK) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present the strategic report for the year ended 31 December 2020.

### **Fair review of the business**

Notwithstanding the considerable disruptions caused to our production by Covid-19, our production at the Stallingborough processing plant remained steady throughout 2020 and was in line with 'pre-Covid' expectations.

Commodity prices were negatively affected in 2020, however, and zinc was no exception, experiencing a drop of US\$280.00 (11%) on the 2019 average. Considering the tonnage output 2020 was similar to 2019, the main reason for the overall turnover decreased from £16.93m to £14.47m is the reduction in zinc price. The decline in zinc price, together with the strengthening of the Sterling against the dollar through 2020 (note: £174,822 difference between 2019 and 2020), meant that overall profits also decreased. The company's reserves have increased from £7.93m to £8.09m as shown in the Statement of Changes in Equity on page 8.

During the last quarter of 2020 the zinc price increased and by the year end was back to a 'pre-Covid' level. The increase looks set to continue into 2021 as the production / movement of base metals is adversely affected by Covid, thus a 'tightening' of supply, which typically results in price increases.

We expect throughput of materials to remain consistent in 2021 as the company's market share remains high especially within the UK galvanizers market. The company continues to drive efficiency at its Stallingborough processing plant and continues to increase the tonnage throughput at the plant.

### **Principal risks and uncertainties**

Changing global economic conditions continues to be the main risk affecting this business, together with the cost / availability of transportation.

### **Development and performance**

The results for the year and the financial position at the end of the year were considered to be satisfactory by the directors under the market conditions, however, they expect these to improve significantly in 2021.

### **Key performance indicators**

The reduction in metals price and sustained backwardation is reflected in the gross profit of £1.00m (2019: £1.27m) being 6.9% of sales in 2020 (2019: 7.5%).

On behalf of the board

H Wilkinson  
**Director**

29 September 2021

# **FBM METALS (UK) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 7.

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

### **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  
H Wilkinson

### **Auditor**

The directors confirm the reappointment of the company's auditors, Evans Mockler Limited, for the forthcoming year.

### **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

H Wilkinson  
**Director**

29 September 2021

## **FBM METALS (UK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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**

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#### **Opinion**

We have audited the financial statements of FBM Metals (UK) Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2020 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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**

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#### **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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Directors (as required by auditing standards).
- we had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- with the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Directors.
- we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- we addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **FBM METALS (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FBM METALS (UK) LIMITED**

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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

29 September 2021

**Chartered Certified Accountants**  
**Statutory Auditor**

5 Beauchamp Court  
Victors Way  
Barnet  
London  
EN5 5TZ

## FBM METALS (UK) LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

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	Notes	2020 £	2019 £
Turnover	3	14,473,836	16,925,619
Cost of sales		(13,473,054)	(15,659,432)
<b>Gross profit</b>		<b>1,000,782</b>	<b>1,266,187</b>
Distribution costs		(3,811)	(3,041)
Administrative expenses		(856,538)	(922,693)
<b>Operating profit</b>		<b>140,433</b>	<b>340,453</b>
Interest receivable and similar income	6	61,635	74,376
Interest payable and similar expenses	7	(155)	(2,757)
<b>Profit before taxation</b>		<b>201,913</b>	<b>412,072</b>
Tax on profit	8	(39,005)	(83,711)
<b>Profit for the financial year</b>		<b>162,908</b>	<b>328,361</b>

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# FBM METALS (UK) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Investments	9		1,982,545		735,545
<b>Current assets</b>					
Stocks	11	1,786,316		1,502,022	
Debtors	12	7,122,247		7,345,175	
Cash at bank and in hand		1,517,385		1,004,289	
		<u>10,425,948</u>		<u>9,851,486</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,634,566)</u>		<u>(2,658,512)</u>	
<b>Net current assets</b>			<u>6,791,382</u>		<u>7,192,974</u>
<b>Total assets less current liabilities</b>			<u>8,773,927</u>		<u>7,928,519</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(682,500)</u>		<u>-</u>
<b>Net assets</b>			<u>8,091,427</u>		<u>7,928,519</u>
<b>Capital and reserves</b>					
Called up share capital	16		10		10
Capital redemption reserve			90		90
Profit and loss reserves			8,091,327		7,928,419
<b>Total equity</b>			<u>8,091,427</u>		<u>7,928,519</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2021 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 2020

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	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2019</b>	10	90	7,600,058	7,600,158
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	-	328,361	328,361
<b>Balance at 31 December 2019</b>	10	90	7,928,419	7,928,519
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year	-	-	162,908	162,908
<b>Balance at 31 December 2020</b>	10	90	8,091,327	8,091,427

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# FBM METALS (UK) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	8		971,787		(114,174)
Interest paid			(155)		(2,757)
Income taxes paid			(78,175)		(81,385)
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			893,457		(198,316)
<b>Investing activities</b>					
Purchase of fixed asset investments		(1,247,000)		(735,545)	
Interest received		61,635		74,376	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(1,185,365)		(661,169)
<b>Financing activities</b>					
Proceeds of new bank loans		750,000		-	
Repayment of derivatives		(3,349)		(32,690)	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) financing activities</b>			746,651		(32,690)
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			454,743		(892,175)
Cash and cash equivalents at beginning of year			1,000,550		1,892,724
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			1,455,293		1,000,549
			<u>          </u>		<u>          </u>
<b>Relating to:</b>					
Cash at bank and in hand			1,517,385		1,004,289
Bank overdrafts included in creditors payable within one year			(62,092)		(3,740)
			<u>          </u>		<u>          </u>

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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, Barnet, 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:

Computers	33% on cost
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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.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

### 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 cost and replacement 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 and cash equivalents

Cash and cash equivalents 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.

#### **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.

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### *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 transaction 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.

### 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

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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 in the period are included in profit or loss.

### 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

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Metal trading	14,473,836	16,925,619
	<u>                    </u>	<u>                    </u>
	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	61,635	74,376
	<u>                    </u>	<u>                    </u>
	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
UK	45,696	212,587
Europe	1,864,479	13,228,622
Asia	12,563,661	3,484,410
	<u>                    </u>	<u>                    </u>
	14,473,836	16,925,619
	<u>                    </u>	<u>                    </u>

# FBM METALS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Employees

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

	2020 Number	2019 Number
Directors	2	2

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	872	1,842
Social security costs	-	1,122
Pension costs	1,620	1,620
	<u>2,492</u>	<u>4,584</u>

### 5 Directors' remuneration

	2020 £	2019 £
Company pension contributions to defined contribution schemes	1,620	1,620

### 6 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	2	4
Interest receivable from group companies	61,371	73,125
Other interest income	262	1,247
Total income	<u>61,635</u>	<u>74,376</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>61,373</u>	<u>73,129</u>
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### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Other finance costs:</b>		
Other interest	<u>155</u>	<u>2,757</u>

## FBM METALS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	39,005	77,998
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	5,713
	<u>          </u>	<u>          </u>
Total tax charge	<u>39,005</u>	<u>83,711</u>

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:

	2020 £	2019 £
Profit before taxation	201,913	412,072
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	38,363	78,294
Tax effect of expenses that are not deductible in determining taxable profit	1,128	5,417
Permanent capital allowances in excess of depreciation	(486)	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	<u>39,005</u>	<u>83,711</u>

9 Fixed asset investments	2020 £	2019 £
Unlisted investments	1,982,545	735,545
	<u>          </u>	<u>          </u>

#### Movements in fixed asset investments

	Investments £
<b>Cost or valuation</b>	
At 1 January 2020	735,545
Additions	1,247,000
	<u>          </u>
At 31 December 2020	1,982,545
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2020	1,982,545
	<u>          </u>
At 31 December 2019	735,545
	<u>          </u>

## FBM METALS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>10</b>	<b>Financial instruments</b>		
		<b>2020</b>	<b>2019</b>
		£	£
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	27,488	24,138
		<u>          </u>	<u>          </u>
<b>11</b>	<b>Stocks</b>		
		<b>2020</b>	<b>2019</b>
		£	£
	Finished goods and goods for resale	1,786,316	1,502,022
		<u>          </u>	<u>          </u>
<b>12</b>	<b>Debtors</b>		
		<b>2020</b>	<b>2019</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Trade debtors	1,409,349	1,847,462
	Corporation tax recoverable	177	-
	Amounts owed by group undertakings	5,161,443	5,008,770
	Derivative financial instruments	27,488	24,138
	Other debtors	405,691	426,065
	Prepayments and accrued income	118,099	38,740
		<u>          </u>	<u>          </u>
		<u>7,122,247</u>	<u>7,345,175</u>
<b>13</b>	<b>Loans and overdrafts</b>		
		<b>2020</b>	<b>2019</b>
		£	£
	Bank loans	750,000	-
	Bank overdrafts	62,092	3,740
		<u>          </u>	<u>          </u>
		<u>812,092</u>	<u>3,740</u>
	Payable within one year	129,592	3,740
	Payable after one year	682,500	-
		<u>          </u>	<u>          </u>

Bank loans represent two CBILS (Coronavirus Business Interruption Loan Scheme) loans which have a balance of £750,000. An amount of £350,000 was drawn in June 2020, followed by a further £400,000 drawn in September 2020. Both loans are secured by a fixed charge over the assets of the company and a debenture.

## FBM METALS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	13	129,592	3,740
Trade creditors		1,756,357	1,238,520
Corporation tax		39,005	77,998
Other creditors		1,839	1,839
Accruals and deferred income		1,707,773	1,336,415
		<u>3,634,566</u>	<u>2,658,512</u>

#### 15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	13	682,500	-
		<u>682,500</u>	<u>-</u>

#### 16 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	10	10	10	10
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

#### 17 Ultimate 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.

#### 18 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Profit for the year after tax	162,908	328,361
<b>Adjustments for:</b>		
Taxation charged	39,005	83,711
Finance costs	155	2,757
Investment income	(61,635)	(74,376)
<b>Movements in working capital:</b>		
Increase in stocks	(284,294)	(815,633)
Decrease in debtors	226,455	93,865
Increase in creditors	889,195	230,430
<b>Cash generated from/(absorbed by) operations</b>	<u>971,789</u>	<u>(150,885)</u>

## FBM METALS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	1,004,289	513,096	1,517,385
Bank overdrafts	(3,740)	(58,352)	(62,092)
	<u>1,000,549</u>	<u>454,744</u>	<u>1,455,293</u>
Borrowings excluding overdrafts	-	(750,000)	(750,000)
	<u>1,000,549</u>	<u>(295,256)</u>	<u>705,293</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.