

Registration number 01476788

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Annual Report and Financial Statements
for the Year Ended 31 December 2015

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ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

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ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Company Information

Directors	Mr R A Hannam Mr A Jones Mr D Orlov Mr M Ridgeway
Registered office	The Brickworks Kilnhurst Road Kilnhurst Mexborough S64 5TE
Bankers	HSBC Bank plc 35 College Street Rotherham S65 1AF
Auditors	Hawsons Chartered Accountants Statutory Auditors Pegasus House 463a Glossop Road Sheffield S10 2QD

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Strategic Report for the Year Ended 31 December 2015

The directors present their Strategic Report for the year ended 31 December 2015

Fair review of the business

The performance of the group by activity measured by sales value is set out below

	2015		2014	
	£	%	£	%
Haulage & Packaging	910,591	1 45	1,604,950	2 27
New processing division	2,585,988	6 69	0	0
Speciality Alloys	35,162,678	91 86	68,990,929	97 73
	<u>38,659,257</u>	<u>100</u>	<u>70,595,879</u>	<u>100</u>

Half way through the year (30 June 2015) ABS Industrial Resources Limited acquired the trade (Metal processing) and assets of an associated group company, ELG Utica Alloys Limited generating £361,001 of goodwill which has subsequently been fully amortised during the year

Following this ABS Industrial Resources Limited changed its name to ELG Utica Alloys Limited

The company has traded profitability for the year to 31 December 2015, generating a profit before tax of £63,432 (2014 - £1,771,625)

This includes profit on disposal of financial investments (shares in ABS Alloys and Metals USA) of £719,813 and amortisation of goodwill arising on acquisition of trade and assets of ABS Industrial Resources Limited (formerly ELG Utica Alloys Limited) of £361,001. The company also sold its 50% share in the Steelfreight transport and distribution joint venture for £500 at no gain no loss and the packaging division was closed during the year and the assets sold at the net book value

Turnover has reduced substantially during the year reflecting poor demand in the market place, falling commodity prices and an influx of cheap metals from China. During the year both Nickel and Moly price have fallen to a 10 year low and a NRV stock provision has been provided to reflect this.

The board has focused its attention during these challenging times on supporting suppliers and customers to ensure a strong base for future growth. During the year the business has consolidated its position within ELG Haniel which it was acquired by in 2013, leveraging the groups place as a world leading metal recycling business.

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Strategic Report for the Year Ended 31 December 2015 (continued)

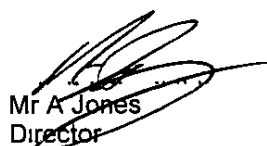
Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks are considered to be

- Global economic recovery, the business buys and sells material globally, and demand and production of scrap is key to business success,
- Metal price movements, the business holds a large quantity of inventory, and movements in metal prices can effect the margins of the business,
- Currency movements, the business holds a large quantity of inventory, and movements in currencies can effect the margins of the business

As part of its management control, the Board continuously reviews business risks. Furthermore, an external BSI audit of management systems is performed each year as part of the company's ISO9001 accreditation

Approved by the Board on *17 MAY 2016* and signed on its behalf by


Mr A Jones
Director

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Directors' Report for the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015

Directors of the company

The directors who held office during the year were as follows

Mr R A Hannam

Mr A Jones

Mr D Orlov

Mr M Ridgeway

Principal activity

The principal activity of the company is the sourcing, processing and supply of primary and secondary alloys and metals. The company also provides haulage services.

Change of name

On 1 July 2015, the company changed its name from ABS Industrial Resources Limited to ELG Utica Alloys Limited.

Disclosure of information to the auditors


The directors of the company who held office at the date of the approval of this Annual Report as set out above confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hawsons Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on *17 MAY 2016* and signed on its behalf by


Mr A. Jones
Director

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Statement of Directors' Responsibilities

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 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.

Independent Auditor's Report to the Members of ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

We have audited the financial statements of ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited) for the year ended 31 December 2015, set out on pages 8 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Strategic 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

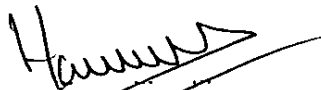
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
ELG Utica Alloys Limited (Formerly ABS Industrial Resources 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher Hill (Senior Statutory Auditor)
For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date

17/5/16

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 Continuing operations £	2015 Discontinued operations £	2015 Total £	2014 Continuing operations £	2014 Discontinued operations £	2014 Total £
Turnover	2	37,748,666	910,591	38,659,257	68,989,409	1,606,470	70,595,879
Cost of sales		<u>(34,943,439)</u>	<u>(210,129)</u>	<u>(35,153,568)</u>	<u>(65,123,976)</u>	<u>(919,044)</u>	<u>(66,043,020)</u>
Gross profit		2,805,227	700,462	3,505,689	3,865,433	687,426	4,552,859
Distribution costs		<u>(380,824)</u>	<u>(258,989)</u>	<u>(639,813)</u>	<u>(773,484)</u>	<u>(108,481)</u>	<u>(881,965)</u>
Administrative expenses		<u>(3,152,063)</u>	<u>(265,137)</u>	<u>(3,417,200)</u>	<u>(2,114,966)</u>	<u>(129,894)</u>	<u>(2,244,860)</u>
Other operating income		<u>86,546</u>	-	<u>86,546</u>	<u>121,067</u>	-	<u>121,067</u>
Operating (loss)/profit	3	<u>(641,114)</u>	<u>176,336</u>	<u>(464,778)</u>	<u>1,098,050</u>	<u>449,051</u>	<u>1,547,101</u>
Income from shares in group undertakings		-	-	-	559,344	-	559,344
Profit on disposal of fixed asset investments		719,813	-	719,813	-	-	-
Other interest receivable and similar income	7	66,493	-	66,493	252,452	-	252,452
Interest payable and similar charges	8	<u>(258,047)</u>	<u>(49)</u>	<u>(258,096)</u>	<u>(586,708)</u>	<u>(564)</u>	<u>(587,272)</u>
		<u>528,259</u>	<u>(49)</u>	<u>528,210</u>	<u>225,088</u>	<u>(564)</u>	<u>224,524</u>
(Loss)/profit before tax		<u>(112,855)</u>	<u>176,287</u>	<u>63,432</u>	<u>1,323,138</u>	<u>448,487</u>	<u>1,771,625</u>
Taxation	9	<u>29,623</u>	-	<u>29,623</u>	<u>(285,742)</u>	-	<u>(285,742)</u>
(Loss)/profit for the financial year		<u>(83,232)</u>	<u>176,287</u>	<u>93,055</u>	<u>1,037,396</u>	<u>448,487</u>	<u>1,485,883</u>
Total comprehensive income for the financial year		<u>(83,232)</u>	<u>176,287</u>	<u>93,055</u>	<u>1,037,396</u>	<u>448,487</u>	<u>1,485,883</u>

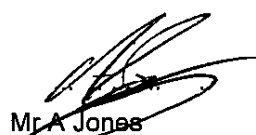
The notes on pages 12 to 24 form an integral part of these financial statements
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ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**(Registration number: 01476788)
Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	6,595,284	4,005,230
Investments	12	<u>379,032</u>	<u>333,081</u>
		<u>6,974,316</u>	<u>4,338,311</u>
Current assets			
Stocks	14	12,838,253	15,484,035
Debtors	15	10,657,024	20,377,145
Cash at bank and in hand		<u>546,592</u>	<u>811,198</u>
		24,041,869	36,672,378
Creditors Amounts falling due within one year	16	<u>(15,334,447)</u>	<u>(25,422,006)</u>
Net current assets		<u>8,707,422</u>	<u>11,250,372</u>
Total assets less current liabilities		<u>15,681,738</u>	<u>15,588,683</u>
Net assets		<u>15,681,738</u>	<u>15,588,683</u>
Capital and reserves			
Called up share capital	17	25,186	25,186
Share premium reserve		47,468	47,468
Capital redemption reserve		17,333	17,333
Retained earnings		<u>15,591,751</u>	<u>15,498,696</u>
Total equity		<u>15,681,738</u>	<u>15,588,683</u>

These financial statements were approved and authorised for issue by the Board on *17 MAY 2016*
and signed on its behalf by


Mr A Jones
Director

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2015	25,186	47,468	17,333	15,498,696	15,588,683
Profit for the year	-	-	-	93,055	93,055
Total comprehensive income	-	-	-	93,055	93,055
At 31 December 2015	25,186	47,468	17,333	15,591,751	15,681,738

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2014	25,186	47,468	17,333	16,012,813	16,102,800
Profit for the year	-	-	-	1,485,883	1,485,883
Total comprehensive income	-	-	-	1,485,883	1,485,883
Dividends	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2014	25,186	47,468	17,333	15,498,696	15,588,683

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for the year		93,055	1,485,883
Finance income		(66,493)	(811,796)
Finance costs		258,096	587,272
Income tax expense		(29,623)	285,742
Profit from disposal of investments		<u>(719,813)</u>	<u>-</u>
Operating profit		(464,778)	1,547,101
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	3	872,254	378,984
Profit on disposal of property plant and equipment		<u>(7,378)</u>	<u>(3,487)</u>
		400,098	1,922,598
Working capital movements			
Decrease in inventories		2,645,782	2,750,213
Decrease/(increase) in trade and other receivables		9,886,569	(1,904,711)
(Decrease)/increase in trade and other payables		<u>(12,036,548)</u>	<u>4,021,170</u>
Cash generated from operations		895,901	6,789,270
Income taxes received/(paid)		<u>62,206</u>	<u>(245,851)</u>
Net cash flow from operating activities		<u>958,107</u>	<u>6,543,419</u>
Cash flows from investing activities			
Interest received	7	66,493	252,452
Purchase of investments	12	(46,501)	-
Proceeds from sale of fixed asset investments		720,363	10,200
Acquisitions of tangible fixed assets		(3,254,453)	(144,685)
Proceeds from sale of tangible fixed assets		160,523	19,667
Purchase of goodwill	10	(361,001)	-
Deferred tax asset transferred with trade		(199,030)	-
Dividend income		-	559,344
HP and finance lease interest	8	<u>(352)</u>	<u>(2,607)</u>
Net cash flows from investing activities		<u>(2,913,958)</u>	<u>694,371</u>
Cash flows from financing activities			
Interest paid	8	(257,744)	(584,665)
Repayment of bank borrowing		-	(1,116,754)
Payments to finance lease creditors		(20,089)	(83,327)
Dividends paid	19	<u>-</u>	<u>(2,000,000)</u>
Net cash flows from financing activities		<u>(277,833)</u>	<u>(3,784,746)</u>
Net (decrease)/increase in cash and cash equivalents		(2,233,684)	3,453,044
Cash and cash equivalents at 1 January	18	<u>811,198</u>	<u>(2,641,846)</u>
Cash and cash equivalents at 31 December	18	<u><u>(1,422,486)</u></u>	<u><u>811,198</u></u>

The notes on pages 12 to 24 form an integral part of these financial statements

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Exemption from preparing group accounts

As a wholly owned subsidiary of a company established under the law of an EEA state (see note 24) the company is exempt under section 400 of the Companies Act 2006 from preparing and delivering to the Registrar of Companies consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	4% straight line
Motor vehicles	20% - 25% reducing balance
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

Deferred tax

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency

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

Hire purchase and leasing

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

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments are included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**Notes to the Financial Statements for the Year Ended 31 December 2015
(continued)**

2 Turnover

An analysis of turnover by geographical location is given below

	2015	2014
	£	£
Sales - UK	10,134,002	13,181,629
Sales - Europe	17,569,895	32,969,030
Sales - USA	5,856,020	13,722,030
Sales - Rest of world	5,099,340	10,723,190
	<u>38,659,257</u>	<u>70,595,879</u>

During the year 73.77% (2014 - 81.33%) of the company's turnover related to exports

3 Operating loss

Arrived at after charging/(crediting)

	2015	2014
	£	£
Operating lease expense - land and buildings	71,318	19,500
Operating lease expense - plant and machinery	27,093	1,849
Foreign currency (gains)/losses	(1,267,058)	448,611
Profit on disposal of tangible fixed assets	(7,378)	(3,487)
Depreciation of owned assets	492,002	340,701
Depreciation of assets held under finance lease and hire purchase contracts	19,252	38,283
Amortisation expense	361,001	-
Auditor's remuneration	<u>42,000</u>	<u>42,000</u>

4 Auditors' remuneration

	2015	2014
	£	£
Audit of the financial statements	31,500	31,500
Other fees to auditors		
Other services	<u>10,500</u>	<u>10,500</u>
	<u>42,000</u>	<u>42,000</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

5 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2015	2014
	No.	No.
Production	69	71
Administration and support	11	16
	<u>80</u>	<u>87</u>

The aggregate payroll costs were as follows

	2015	2014
	£	£
Wages and salaries	2,659,067	3,308,505
Social security costs	80,836	90,534
Pension costs, defined contribution scheme	73,346	55,457
	<u>2,813,249</u>	<u>3,454,496</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2015	2014
	£	£
Remuneration (including benefits in kind)	219,084	416,486
Contributions paid to money purchase schemes	19,690	28,100
	<u>238,774</u>	<u>444,586</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2015	2014
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

In respect of the highest paid director

	2015	2014
	£	£
Remuneration	147,530	146,741
Company contributions to money purchase pension schemes	7,000	7,000
	<u>154,530</u>	<u>153,741</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**Notes to the Financial Statements for the Year Ended 31 December 2015
(continued)**

7 Other interest receivable and similar income

	2015	2014
	£	£
Other interest receivable	2,138	915
Interest receivable from group companies	<u>64,355</u>	<u>251,537</u>
	<u>66,493</u>	<u>252,452</u>

8 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank borrowings	15,172	118,841
Interest on loans from group undertakings	242,572	465,824
Finance charges	<u>352</u>	<u>2,607</u>
	<u>258,096</u>	<u>587,272</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Income tax

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
Corporation tax charge	-	270,572
Adjustments in respect of previous years	3,562	(24,190)
	<u>3,562</u>	<u>246,382</u>
Deferred taxation		
Origination and reversal of timing differences	(33,185)	39,360
Total tax on profit on ordinary activities	<u>(29,623)</u>	<u>285,742</u>

Factors affecting current tax charge for the year

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%)

The differences are reconciled below

	2015 £	2014 £
Profit before tax	<u>63,432</u>	<u>1,771,625</u>
Corporation tax at standard rate	12,845	380,899
Capital allowances for the period in excess of depreciation	(5,866)	11,899
Corporation tax buffer	-	(3,563)
Movement in provision not deductible for tax	(13,119)	(7,572)
Expenses not deductible for tax	104,928	9,168
Non taxable income on sale of group investments	(145,762)	-
Prior year adjustment	3,562	(24,190)
Group dividend income	-	(120,259)
Corporation tax losses carried forward	<u>46,974</u>	<u>-</u>
Total tax charge	<u>3,562</u>	<u>246,382</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**Notes to the Financial Statements for the Year Ended 31 December 2015
(continued)**

10 Intangible assets

	Goodwill £
Cost	
At 1 January 2015	-
Additions	<u>361,001</u>
At 31 December 2015	<u>361,001</u>
Amortisation	
At 1 January 2015	-
Amortisation	<u>361,001</u>
At 31 December 2015	<u>361,001</u>
Net book value	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>-</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

11 Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2015	3,609,980	1,861,299	160,155	981,735	6,613,169
Additions	1,738,647	1,448,272	67,534	-	3,254,453
Disposals	(19,969)	(42,184)	(2,900)	(897,560)	(962,613)
At 31 December 2015	<u>5,328,658</u>	<u>3,267,387</u>	<u>224,789</u>	<u>84,175</u>	<u>8,905,009</u>
Depreciation					
At 1 January 2015	398,077	1,309,807	122,206	777,849	2,607,939
Charge for the year	191,417	256,350	22,164	41,323	511,254
Eliminated on disposal	(17,603)	(40,288)	(2,687)	(748,890)	(809,468)
At 31 December 2015	<u>571,891</u>	<u>1,525,869</u>	<u>141,683</u>	<u>70,282</u>	<u>2,309,725</u>
Carrying amount					
At 31 December 2015	<u>4,756,767</u>	<u>1,741,518</u>	<u>83,106</u>	<u>13,893</u>	<u>6,595,284</u>
At 31 December 2014	<u>3,211,903</u>	<u>551,492</u>	<u>37,949</u>	<u>203,886</u>	<u>4,005,230</u>

Leased assets

Included within the net book value of tangible fixed assets is £nil (2014 - £76,263) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £19,252 (2014 - £38,283).

12 Investments in subsidiaries, joint ventures and associates

	2015 £	2014 £
Shares in group undertakings and participating interests	379,032	332,581
Other investments	-	500
	<u>379,032</u>	<u>333,081</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**Notes to the Financial Statements for the Year Ended 31 December 2015
(continued)**

	Subsidiary undertakings £
Shares in group undertakings and participating interests	
Cost	
At 1 January 2015	332,581
Additions	46,501
Disposals	<u>(50)</u>
At 31 December 2015	<u>379,032</u>
Net book value	
At 31 December 2015	<u>379,032</u>
At 31 December 2014	<u>332,581</u>
	Unlisted investments £
Other investments	
Cost	
At 1 January 2015	500
Disposals	<u>(500)</u>
At 31 December 2015	<u>-</u>
Net book value	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>500</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
ABS Alloys and Metals SA (Pty) Limited	Ordinary	100%	Alloy Merchants Registered in South Africa
RS Metals GmbH	Ordinary	100%	Non trading Registered in Germany
Marsmetal SAS	Ordinary	100%	Speciality alloys Registered in France
ELG Utica Alloys Singapore PTE Ltd	Ordinary	100%	Speciality alloys Registered in Singapore

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

The loss for the financial period of ABS Alloys and Metals SA (Pty) Limited was £22,715 and the aggregate amount of capital and reserves at the end of the period was £948,422

The loss for the financial period of RS Metals GmbH was £571 and the aggregate amount of capital and reserves at the end of the period was £24,615

The profit for the financial period of Marsmetal SAS was £108,606 and the aggregate amount of capital and reserves at the end of the period was £1,234,093

The loss for the financial period of ELG Utica Alloys Singapre PTE Ltd was £12,927 and the aggregate amount of capital and reserves at the end of the period was £34,920

13 Business combinations

Half way through the year (30 June 2015) ABS Industrial Resources Limited acquired the trade (Metal processing) and assets of an associated group company, ELG Utica Alloys Limited generating £361,001 of goodwill which has subsequently been fully amortised during the year
Following this ABS Industrial Resources Limited changed its name to ELG Utica Alloys Limited

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below

	2015 £
Assets and liabilities acquired	
Cash at bank	131,442
Debtors	1,908,117
Inventory	781,155
Property, plant and equipment	3,032,035
Creditors	<u>(6,213,749)</u>
Total identifiable assets	<u>(361,000)</u>
Goodwill	<u>361,001</u>
Total consideration	<u><u>1</u></u>
Satisfied by:	
Cash	<u><u>1</u></u>

There is no difference between the book value and fair value of inventory, debtors or creditors at 30 June 2015

Summarised profit and loss

During the year since acquisition the results relating to this trade were turnover of £2,585,988 and net losses before tax of £72,226

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

**Notes to the Financial Statements for the Year Ended 31 December 2015
(continued)**

14 Stocks

	2015	2014
	£	£
Stocks	<u>12,838,253</u>	<u>15,484,035</u>

15 Debtors

	2015	2014
	£	£
Trade debtors	3,542,987	6,672,287
Amounts owed from group undertakings	5,857,900	12,582,472
Other debtors	378,324	667,247
Deferred tax	239,216	7,000
Prepayments and accrued income	<u>638,597</u>	<u>448,139</u>
	<u>10,657,024</u>	<u>20,377,145</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 January 2015	7,000
Deferred tax asset transferred with trade	199,031
Deferred tax charged to the profit and loss account	<u>33,185</u>
At 31 December 2015	<u>239,216</u>

16 Creditors

	2015	2014
	£	£
Due within one year		
Trade creditors	1,907,691	2,279,334
Bank loans and overdrafts	1,969,078	-
Obligations under finance lease and hire purchase contracts	-	20,089
Amounts owed to group undertakings	9,621,396	20,647,720
Other taxes and social security	69,617	129,641
Other creditors	67,334	33,177
Accruals and deferred income	<u>1,699,331</u>	<u>2,312,045</u>
	<u>15,334,447</u>	<u>25,422,006</u>

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

17 Share capital

Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary A shares of £1 each	10,000	10,000	10,000	10,000
Ordinary B shares of £1 each	10,000	10,000	10,000	10,000
Ordinary C shares of £1 each	2,668	2,668	2,668	2,668
Ordinary D shares of £1 each	2,518	2,518	2,518	2,518
	<u>25,186</u>	<u>25,186</u>	<u>25,186</u>	<u>25,186</u>

There are no restrictions on the distribution of dividends and the repayment of capital Ordinary C and Ordinary D shareholders are not entitled to vote at General meetings

18 Cash and cash equivalents

	2015 £	2014 £
Cash on hand	5,280	2,959
Cash at bank	<u>(1,427,766)</u>	<u>808,239</u>
	<u>(1,422,486)</u>	<u>811,198</u>

19 Dividends

	2015 £	2014 £
Current year interim dividend paid	<u>-</u>	<u>2,000,000</u>

20 Loans and borrowings

	2015 £	2014 £
Current loans and borrowings		
Finance lease liabilities	<u>-</u>	<u>20,089</u>

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £73,346 (2014 - £55,457).

Contributions totalling £1,554 (2014 - £5,341) were payable to the scheme at the end of the year and are included in creditors.

ELG Utica Alloys Limited (Formerly ABS Industrial Resources Limited)

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

22 Commitments

Operating lease commitments

The total of future minimum lease payments is as follows

	2015	2014
	£	£
Not later than one year	121,328	50,553
Later than one year and not later than five years	<u>279,124</u>	<u>129,934</u>
	<u><u>400,452</u></u>	<u><u>180,487</u></u>

23 Related party transactions

The company has taken advantage of the exemption in FRS102 from disclosing transactions with other members of the group

24 Control

The company is controlled by ELG Utica Alloys International GmbH. The ultimate controlling party is Franz Haniel & Cie GmbH. Both are companies incorporated in Germany. Copies of the parent's consolidated financial statements may be obtained from Kremerskamp 16, D-47138 Duisberg, Germany.

25 Transition to FRS 102

This is the first year that the company has presented its results under FRS102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS102 was 1 January 2014. The transition to FRS102 did not result in any changes in accounting policies and so there are no differences between the profit for the financial year ended 31 December 2014 and the total equity as at 1 January 2014 and 31 December 2014 under UK GAAP as previously reported and FRS102.