

Company Registration No. 1900671 (England and Wales)

TANGENT TRADING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



TANGENT TRADING LIMITED

COMPANY INFORMATION

Directors	J D Taylor D H Leigh Mrs N Reid R Borland
Secretary	Mrs N Reid
Company number	1900671
Registered office	Finch House 28-30 Wolverhampton Street Dudley West Midlands DY1 1DB
Auditors	Price Pearson Finch House 28 - 30 Wolverhampton Street Dudley West Midlands DY1 1DB
Business address	1 Dollis Mews London N3 1HH

TANGENT TRADING LIMITED

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TANGENT TRADING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present the strategic report for the year ended 30 June 2018.

Review of the business

There were no major changes to the company's trading activities during the year.

The company measures business performance based upon gross profit and overall profitability achieved during the year.

The company also measures performance on a daily basis using contractual quantities and daily trades as key performance indicators.

Turnover has increased this year due to rising underlying commodity prices. The directors believe that opportunities available to the company have been maximised and are therefore satisfied with the trading performance for the year.

As the worldwide economic climate continues with the potential of facing a trade war with all of the consequences that might bring, the directors are anticipating trading conditions to remain difficult in the year ahead but feel the business is well placed in the circumstances.

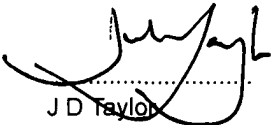
The company recognises that controlling areas of risk is a key to the success of the business and the directors believe that these controls together with the long term policies in place have again been a key factor in maximising opportunities.

The directors consider the main areas of risk to be commodity and currency fluctuations.

The company looks to limit these risks by its detailed knowledge, use of hedging and maintaining detailed monitoring systems.

The company actively looks to expand and carefully monitor its customer and supplier base to maintain risk at a manageable level and whilst there has been a downturn in the company's major markets this spread of business has allowed the company to continue its success.

On behalf of the board



J D Taylor
Director
18.9.18

TANGENT TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report and financial statements for the year ended 30 June 2018.

Principal activities

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

Directors

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

J D Taylor
D H Leigh
Mrs N Reid
R Borland

Results and dividends

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

Ordinary dividends were paid amounting to £2,505,000. The directors do not recommend payment of a final dividend.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 June 2018	30 June 2017
J D Taylor	-	-
D H Leigh	-	-
Mrs N Reid	-	-
R Borland	-	-

	Ordinary A shares of £1 each	
	30 June 2018	30 June 2017
J D Taylor	-	-
D H Leigh	-	-
Mrs N Reid	-	-
R Borland	-	-

	Ordinary B shares of £1 each	
	30 June 2018	30 June 2017
J D Taylor	-	-
D H Leigh	-	-
Mrs N Reid	-	-
R Borland	-	-

The interest of D H Leigh in the share capital of the holding company, Tangent Trading Holdings Limited, is disclosed in the directors' report of the company.

J D Taylor, Mrs N Reid and R Borland have no interest in the share capital of the holding company.

Financial instruments

The company has exposure to commodity and currency fluctuation risks arising from trading activities. The company looks to limit these risks by its detailed knowledge and use of hedging and maintaining detailed monitoring systems.

TANGENT TRADING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

Post reporting date events

No significant events have taken place since the balance sheet date.

Future developments

No major alterations to the company's present position are foreseen.

Auditor

The auditors, Price Pearson, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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:

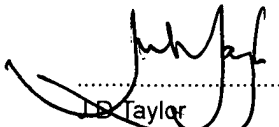
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

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

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


J. Taylor
Director
18.9.18

TANGENT TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF TANGENT TRADING LIMITED

Opinion

We have audited the financial statements of Tangent Trading Limited (the 'company') for the year ended 30 June 2018 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 30 June 2018 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.
-

TANGENT TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF TANGENT TRADING 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.

Christopher Cooper ACA FCCA (Senior Statutory Auditor)
for and on behalf of Price Pearson

25.9.18

Chartered Accountants
Statutory Auditor

Finch House
28 - 30 Wolverhampton Street
Dudley
West Midlands
DY1 1DB

TANGENT TRADING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Turnover	4	216,394,319	170,780,938
Cost of sales		(209,309,055)	(165,164,356)
Gross profit		7,085,264	5,616,582
Administrative expenses		(4,967,212)	(2,739,480)
Operating profit	5	2,118,052	2,877,102
Interest receivable and similar income	8	74,912	15,629
Interest payable and similar expenses	9	-	(997)
Profit before taxation		2,192,964	2,891,734
Tax on profit	10	(422,630)	(592,718)
Profit for the financial year		1,770,334	2,299,016

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

TANGENT TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018 £	2017 £
Profit for the year	1,770,334	2,299,016
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,770,334</u>	<u>2,299,016</u>

TANGENT TRADING LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		28,580		70,379
Investments	13		5,250		5,250
			<u>33,830</u>		<u>75,629</u>
Current assets					
Debtors	14	28,237,863		25,437,642	
Cash at bank and in hand		3,517,643		2,725,141	
		<u>31,755,506</u>		<u>28,162,783</u>	
Creditors: amounts falling due within one year	15	(13,186,918)		(8,901,328)	
Net current assets			<u>18,568,588</u>		<u>19,261,455</u>
Total assets less current liabilities			<u>18,602,418</u>		<u>19,337,084</u>
Capital and reserves					
Called up share capital	17		10,536		10,536
Capital redemption reserve			9,464		9,464
Profit and loss reserves			<u>18,582,418</u>		<u>19,317,084</u>
Total equity			<u>18,602,418</u>		<u>19,337,084</u>

The financial statements were approved by the board of directors and authorised for issue on **18 SEP 2018** and are signed on its behalf by:


J D Taylor
Director


D W Leigh
Director

Company Registration No. 1900671

TANGENT TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2016		10,536	9,464	18,718,068	18,738,068
Year ended 30 June 2017:					
Profit and total comprehensive income for the year		-	-	2,299,016	2,299,016
Dividends	11	-	-	(1,700,000)	(1,700,000)
Balance at 30 June 2017		10,536	9,464	19,317,084	19,337,084
Year ended 30 June 2018:					
Profit and total comprehensive income for the year		-	-	1,770,334	1,770,334
Dividends	11	-	-	(2,505,000)	(2,505,000)
Balance at 30 June 2018		10,536	9,464	18,582,418	18,602,418

TANGENT TRADING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	1	3,466,648		2,864,303	
Interest paid		-		(997)	
Income taxes paid		(278,928)		(949,004)	
Net cash inflow from operating activities		3,187,720		1,914,302	
Investing activities					
Purchase of tangible fixed assets		(2,130)		-	
Proceeds on disposal of tangible fixed assets		37,000		-	
Interest received		74,912		15,629	
Net cash generated from investing activities		109,782		15,629	
Financing activities					
Dividends paid		(2,505,000)		(1,700,000)	
Net cash used in financing activities		(2,505,000)		(1,700,000)	
Net increase in cash and cash equivalents		792,502		229,931	
Cash and cash equivalents at beginning of year		2,725,141		2,495,210	
Cash and cash equivalents at end of year		3,517,643		2,725,141	

TANGENT TRADING LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	1,770,334	2,299,016
Adjustments for:		
Taxation charged	422,630	592,718
Finance costs	-	997
Investment income	(74,912)	(15,629)
Gain on disposal of tangible fixed assets	(10,684)	-
Depreciation and impairment of tangible fixed assets	17,613	23,143
Movements in working capital:		
(Increase)/decrease in debtors	(2,800,221)	7,054,004
Increase/(decrease) in creditors	4,141,888	(7,089,946)
Cash generated from operations	<u>3,466,648</u>	<u>2,864,303</u>

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

2 Accounting policies

Company information

Tangent Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is Finch House, 28-30 Wolverhampton Street, Dudley, West Midlands, DY1 1DB.

2.1 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, except that it has departed from the provisions of section 12 "other financial instrument issues" in order for the financial statements to give a true and fair view (see 2.8).

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 on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The company is a wholly owned subsidiary of Tangent Trading Holdings Limited, it is included in the consolidated financial statements of Tangent Trading Holdings Limited. These consolidated financial statements are available from its registered office.

2.2 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.

2.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably.

2.4 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.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Accounting policies

(Continued)

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:

Computer equipment	33.33% p.a. straight line basis
Fixtures, fittings & equipment	15% p.a. reducing balance basis
Motor vehicles	25% p.a. reducing balance basis

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.

2.5 Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

2.6 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.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

2.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments'.

Financial instruments are recognised in the company's statement of financial position 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.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 and loans from fellow group companies, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Accounting policies

(Continued)

Other financial liabilities

The company has elected not to apply the provisions of section 12 "Other Financial Instruments Issues" to commodity derivative contracts.

The directors have concluded that compliance with the provisions set out in this section of the standard would lead to the financial statements not showing a true and fair view.

Section 12 requires that derivatives should be initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value, with changes in fair value being recognised in profit and loss, unless hedge accounting can be applied.

Given the nature of the business, these contracts are directly linked to sales and purchase contracts.

As the value of the sales and purchase contracts cannot be reliably measured until both elements have been completed, to include related derivatives at fair value at the Balance Sheet date would not give a true and fair reflection of the financial position at the year end.

Any profit or loss on derivatives will therefore be included in the period in which the sale and purchase contract is complete and can be reliably measured.

Forward foreign exchange contracts and foreign exchange swaps are measured at fair value with any changes being recognised in profit and loss.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2.9 Equity instruments

Ordinary shares are classified as equity.

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 in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

2.10 Taxation

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

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.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

2 Accounting policies

(Continued)

2.11 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.

2.12 Retirement benefits

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

2.13 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.

2.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the invoice. 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.

3 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.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover		
Non-ferrous metal trading	216,394,319	170,780,938
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	74,912	15,629
	<u> </u>	<u> </u>

Turnover analysed by geographical market

In the opinion of the directors it would be seriously prejudicial to the interests of the company to disclose a geographical analysis of turnover.

5 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	11,000
Fees payable to the company's auditor for other services	79,750	87,500
Depreciation of owned tangible fixed assets	17,613	23,143
Profit on disposal of tangible fixed assets	(10,684)	-
Operating lease charges	18,875	18,768
	<u> </u>	<u> </u>

6 Employees

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

	2018 Number	2017 Number
Management	4	4
Administration and office staff	6	6
	<u> </u>	<u> </u>
	10	10
	<u> </u>	<u> </u>

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,689,212	1,820,484
Social security costs	499,486	247,909
Pension costs	2,803	2,700
	<u>4,191,501</u>	<u>2,071,093</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>3,566,324</u>	<u>1,723,941</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>1,938,048</u>	<u>745,380</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	72,274	15,629
Other interest income	2,638	-
Total income	<u>74,912</u>	<u>15,629</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Other interest	<u>-</u>	<u>997</u>

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	429,416	590,000
Adjustments in respect of prior periods	(6,786)	2,718
Total current tax	422,630	592,718

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:

	2018 £	2017 £
Profit before taxation	2,192,964	2,891,734
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	416,663	571,137
Tax effect of expenses that are not deductible in determining taxable profit	9,313	9,505
Group relief	(393)	(491)
Permanent capital allowances in excess of depreciation	(1,183)	(1,546)
Depreciation on assets not qualifying for tax allowances	3,346	4,571
Under/(over) provided in prior years	(6,786)	2,718
Profit on disposal	(2,030)	-
Other tax adjustments	3,700	6,824
Taxation charge for the year	422,630	592,718

11 Dividends

	2018 £	2017 £
Interim paid	2,505,000	1,700,000

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

12 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2017	52,140	91,304	113,961	257,405
Additions	2,130	-	-	2,130
Disposals	-	-	(78,793)	(78,793)
At 30 June 2018	54,270	91,304	35,168	180,742
Depreciation and impairment				
At 1 July 2017	47,626	72,562	66,838	187,026
Depreciation charged in the year	4,811	2,406	10,396	17,613
Eliminated in respect of disposals	-	-	(52,477)	(52,477)
At 30 June 2018	52,437	74,968	24,757	152,162
Carrying amount				
At 30 June 2018	1,833	16,336	10,411	28,580
At 30 June 2017	4,514	18,742	47,123	70,379

13 Fixed asset investments

	2018 £	2017 £
Listed investments	5,250	5,250
Listed investments included above:		
Listed investments carrying amount	5,250	5,250

Fixed asset investments not carried at market value

Fixed asset investments are held at cost.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

13 Fixed asset investments

(Continued)

Movements in fixed asset investments

Investments
other than
loans
£

Cost or valuation

At 1 July 2017 & 30 June 2018

5,250

Carrying amount

At 30 June 2018

5,250

At 30 June 2017

5,250

14 Debtors

2018

2017

Amounts falling due within one year:

£

£

Trade debtors

25,138,412

24,345,916

Amount due from group undertakings

1,936

-

Other debtors - HMRC VAT repayment

3,097,515

1,084,499

Prepayments and accrued income

-

7,227

28,237,863

25,437,642

Amounts due from group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

15 Creditors: amounts falling due within one year

2018

2017

£

£

Trade creditors

9,276,223

7,227,346

Amounts due to group undertakings

-

64

Corporation tax

329,416

185,714

Other taxation and social security

19,591

19,911

Other creditors

3,531,808

1,438,169

Accruals and deferred income

29,880

30,124

13,186,918

8,901,328

Amounts due to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

16 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,803	2,700

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2018	2017
	£	£
Ordinary share capital		
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
7,962 Ordinary A shares of £1 each	7,962	7,962
2,574 Ordinary B shares of £1 each	2,574	2,574
	110,536	110,536
Issued and fully paid		
7,962 Ordinary A shares of £1 each	7,962	7,962
2,574 Ordinary B shares of £1 each	2,574	2,574
	10,536	10,536

The A and B shares have equal rights in respect of voting, dividends and winding up.

18 Financial commitments, guarantees and contingent liabilities

At the balance sheet date the company has potential contingent gains and liabilities in respect of commodity price fluctuations as terminal market transactions fall due, all of which are appropriately covered.

The precise amounts cannot be quantified as detailed in Note 2.8.

There were no other significant contingent liabilities at the balance sheet date (2017 - £nil).

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

19 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for premises. The lease is for a 35 year period to February 2020.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	18,875	18,875
Between two and five years	14,157	33,032
	<u>33,032</u>	<u>51,907</u>

20 Controlling party

The ultimate parent company is Tangent Trading Holdings Limited, a company registered in England and Wales.

The smallest and largest group to consolidate these financial statements is Tangent Trading Holdings Limited. Copies of Tangent Trading Holdings Limited consolidated financial statements can be obtained from the company secretary at 1 Dollis Mews, London, N3 1HH.

Tangent Trading Holdings Limited is controlled by D Leigh who beneficially owns 100% of the issued share capital.

TANGENT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

21 Related party transactions

The following transactions took place with individual related parties during the year:

Directors and related individuals' current accounts

Creditors include the following amounts due to directors and other related individuals at the year end.

	2018	2017
	£	£
J Taylor & Mrs H Taylor	666	423
D H Leigh & Mrs E Leigh	48,616	3,151
Mrs N Reid and B Reid	740	3,339
R Borland	-	-

These balances arise as a result of drawings made against the opening balances due, monies introduced and emoluments voted but not paid at the year end.

All related party transactions

There are no provisions against any of the amounts owing at the year end and no amounts have been written off in respect of these transactions during the year.

The company is exempt from disclosing other related party transactions that are wholly owned within the group.

See Note 7 for disclosure of key management compensation.