
financial statements

ISTIM UK Limited

For the period ended: 31 December 2018

Company registration number: 04014700

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ISTIM UK LIMITED

COMPANY INFORMATION

Director	M Whelan
Registered number	04014700
Registered office	Pennant House 1-2 Napier Court Napier Road Reading RG1 8BW
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Pennant House 1-2 Napier Court Reading RG1 8BW

ISTIM UK LIMITED

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ISTIM UK LIMITED
REGISTERED NUMBER: 04014700

BALANCE SHEET
AS AT 31 DECEMBER 2018

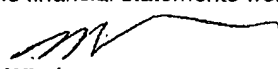
	Note	31 December 2018 \$	30 September 2017 \$
Fixed assets			
Tangible assets	4	4,149	-
		<u>4,149</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	5	25,757,481	4,790,069
Cash at bank and in hand	6	191,817	-
		<u>25,949,298</u>	<u>4,790,069</u>
Creditors: amounts falling due within one year	7	(25,594,108)	(2,460,951)
Net current assets		<u>355,190</u>	<u>2,329,118</u>
Total assets less current liabilities		<u>359,339</u>	<u>2,329,118</u>
Net assets		<u><u>359,339</u></u>	<u><u>2,329,118</u></u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		359,338	2,329,117
		<u>359,339</u>	<u>2,329,118</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M Whelan
 Director

Date: 9/21/19

The notes on pages 2 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

1. General information

ISTIM UK Limited is a private limited Company incorporated in the United Kingdom. The address of the registered office is Pennant House, 1-2 Napier Court, Reading, RG1 8BW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.6 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

3. Employees

The average monthly number of employees, including directors, during the period was 1 (2017 - 0).

ISTIM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

4. Tangible fixed assets

	Computer equipment \$
Cost or valuation	
Additions	4,149
At 31 December 2018	<u>4,149</u>
Net book value	
At 31 December 2018	<u>4,149</u>
At 30 September 2017	<u>-</u>

5. Debtors

	31 December 2018 \$	30 September 2017 \$
Trade debtors	630,856	610,305
Other debtors	2,803,437	871,769
Prepayments and accrued income	21,866,107	3,307,995
Tax recoverable	374,711	-
Deferred taxation	82,370	-
	<u>25,757,481</u>	<u>4,790,069</u>

6. Cash and cash equivalents

	31 December 2018 \$	30 September 2017 \$
Cash at bank and in hand	191,817	-
	<u>191,817</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

7. Creditors: Amounts falling due within one year

	31 December 2018 \$	30 September 2017 \$
Trade creditors	3,430,241	12,191
Amounts owed to group undertakings	16,624,384	1,570,671
Corporation tax	-	596,211
Accruals and deferred income	5,539,483	281,878
	<u>25,594,108</u>	<u>2,460,951</u>

8. Share capital

	31 December 2018 \$	30 September 2017 \$
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

9. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2018 \$	30 September 2017 \$
Not later than 1 year	12,282,377	2,826,941
Later than 1 year and not later than 5 years	2,678,736	2,493,827
	<u>14,961,113</u>	<u>5,320,768</u>

10. Related party transactions

Included within creditors at year end is \$16,624,384 (2017: \$1,570,671) due to ISTIM Metals LLC.

Included within trade creditors at year end is \$556,648 (2017: \$Nil) due to Bengal Capital Limited. Also, Included within trade debtors at year end is \$51,647 (2017: \$Nil) due from Bengal Capital Limited. Bengal Capital Limited is 40% owned by WKMB Enterprises LLC, a US Company. WKMB Enterprises LLC is the majority shareholder of ISTIM Metals LLC.

ISTIM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

11. Controlling party

The company's immediate parent company is ISTIM Metals LLC. The company is included in the consolidated accounts of ISTIM Metals LLC, whose registered office is 41425 Joy Rd, Canton, MI, 48187, USA.

12. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2018 was unqualified.

The audit report was signed on 25 September 2019 by Jason Mitchell (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.