

financial statements

ISTIM UK Limited

For the period ended: 30 September 2017

Company registration number: 04014700



MHA MacIntyre Hudson
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ISTIM UK LIMITED

COMPANY INFORMATION

Director M Whelan

Registered number 04014700

Registered office Pennant House
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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BALANCE SHEET
AS AT 30 SEPTEMBER 2017

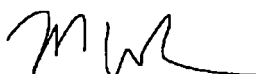
| | Note | 30 September 2017 \$ | 31 December 2016 \$ |
|--|------|-------------------------------|------------------------------|
| Current assets | | | |
| Debtors | 4 | 4,790,068 | 1,136,708 |
| | | <u>4,790,068</u> | <u>1,136,708</u> |
| Creditors: amounts falling due within one year | 5 | (2,460,950) | (1,547,026) |
| Net current assets/(liabilities) | | <u>2,329,118</u> | <u>(410,318)</u> |
| Total assets less current liabilities | | <u>2,329,118</u> | <u>(410,318)</u> |
| Net assets/(liabilities) | | <u>2,329,118</u> | <u>(410,318)</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Profit and loss account | | 2,329,117 | (410,319) |
| | | <u>2,329,118</u> | <u>(410,318)</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: 27-Jun-18

The notes on pages 2 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

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.

These financial statements have been prepared in US Dollars, being the functional and presentational currency of the Company.

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 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.

2.3 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.

2.4 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.4 Financial instruments (continued)

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.

2.5 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.

2.6 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.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.8 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.

2.9 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.

3. Employees

The average monthly number of employees, including directors, during the period was 0 (2016 - 0).

ISTIM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

4. Debtors

| | 30 September 2017 \$ | 31 December 2016 \$ |
|--------------------------------|-------------------------------|------------------------------|
| Trade debtors | 610,304 | 74,638 |
| Other debtors | 871,769 | 194,763 |
| Prepayments and accrued income | 3,307,995 | 783,307 |
| Deferred taxation | - | 84,000 |
| | <u>4,790,068</u> | <u>1,136,708</u> |

5. Creditors: Amounts falling due within one year

| | 30 September 2017 \$ | 31 December 2016 \$ |
|------------------------------------|-------------------------------|------------------------------|
| Trade creditors | 12,191 | - |
| Amounts owed to group undertakings | 1,570,671 | 1,547,026 |
| Corporation tax | 596,211 | - |
| Accruals and deferred income | 281,877 | - |
| | <u>2,460,950</u> | <u>1,547,026</u> |

6. Deferred taxation

| | 2017 \$ |
|---------------------------|------------|
| At beginning of year | 84,000 |
| Charged to profit or loss | (84,000) |
| At end of year | <u>-</u> |

ISTIM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

6. Deferred taxation (continued)

The deferred tax asset is made up as follows:

| | 30 September 2017 \$ | 31 December 2016 \$ |
|------------|-------------------------------|------------------------------|
| Tax losses | - | 84,000 |
| | <u>-</u> | <u>84,000</u> |

7. Share capital

| | 30 September 2017 \$ | 31 December 2016 \$ |
|---|-------------------------------|------------------------------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of \$1 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

8. Commitments under operating leases

At 30 September 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 30 September 2017 \$ | 31 December 2016 \$ |
|--|-------------------------------|------------------------------|
| Not later than 1 year | 2,826,941 | - |
| Later than 1 year and not later than 5 years | 2,493,827 | - |
| | <u>5,320,768</u> | <u>-</u> |

9. Related party transactions

Included within creditors at year end is \$1,570,671 due to ISTIM Metals LLC.

10. Controlling party

The company's immediate parent company is ISTIM Metals LLC. There is no ultimate controlling party.

ISTIM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

11. Auditors' information

The directors have opted not to include the profit and loss account in accordance with section 444(5A) of Companies Act 2006 and therefore have not included the audit report. The auditor's report for the year ended 30 September 2017 was unqualified. The senior statutory auditor and person signing the audit report was Jason Mitchell and the auditor was MHA Macintyre Hudson LLP.