Registered number: 04014700

ISTIM UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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ISTIM UK LIMITED

COMPANY INFORMATION

Director	M Whelan
Registered number	04014700
Registered office	Building 4, Foundation Park Roxborough Way Maidenhead SL6 3UD
Independent auditors	MHA Maidenhead

ISTIM UK LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Business review

Turnover in 2022 has decreased to $30.2m (2021 - $54.4m). Turnover decreased in each ISTIM UK location, largely due to a decrease in inbound activity. The Profit for the year is $1.26m (2021 - $3.57m), as various locations were less profitable.

Principal risks and uncertainties

People

The resignation of key team members could adversely impact the Group's results. The risk is mitigated through a combination of staff training, competitive remuneration packages and succession planning.

Competition

The global warehousing market is well developed, fragmented and highly competitive. To mitigate the inherent risks of operating in a highly competitive market, the Group have looked to operate in a number of new locations, assisted by the acquisition of ISTIM Singapore PTE Limited in 2019.

Credit Risk

Trading on an uninsured basis with customers who have a poor credit rating may give rise to bad debts. The Group operate rigorous credit contol procedures to minimise its exposure to bad debts.

Financial key performance indicators

Apart from those measures indicated above in the business review, the directors are of the opinion that no further inclusion of financial and non-financial key performance indicators is necessary for an understanding of the development, performance and position of the Group's business.

This report was approved by the board and signed on its behalf.

M Whelan
Director

Date: 27 September 2023

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director

The director who served during the year was:

M Whelan

Disclosure of information to auditors

The director at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board and signed on its behalf.

M Whelan
Director

Date: 27 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISTIM UK LIMITED

Opinion

We have audited the financial statements of Istim UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISTIM UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Director's Responsibilities Statement set out on page 2, the director is 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 director determines 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 director is responsible for assessing the Group's and the parent 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in finance and compliance functions to identify any instances of non compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and revieing accounting estimates for bias, and;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliancewith applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISTIM UK LIMITED (CONTINUED)

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 Auditors' 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.

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditors

Maidenhead
Date: 28 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Turnover	4	**30,235,203**	*54,477,551*
Cost of sales		**(25,279,057)**	*(45,739,750)*
Gross profit		**4,956,146**	*8,737,801*
Administrative expenses		**(3,936,626)**	*(3,316,287)*
Operating profit	5	**1,019,520**	*5,421,514*
Interest payable and expenses	8	**(483,879)**	*(1,407,473)*
Profit before tax		**535,641**	*4,014,041*
Tax on profit	9	**722,323**	*(440,225)*
Profit for the financial year		**1,257,964**	*3,573,816*
Owners of the parent company		**(1,257,964)**	*(3,573,816)*

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:$NIL).

The notes on pages 15 to 28 form part of these financial statements.

ISTIM UK LIMITED
REGISTERED NUMBER: 04014700

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 $		*2021 $*
Current assets					
Debtors: amounts falling due within one year	11	**53,145,008**		*59,252,481*	
Cash at bank and in hand	12	**1,783,980**		*2,645,038*	
		54,928,988		*61,897,519*	
Creditors: amounts falling due within one year	13	**(51,904,544)**		*(60,131,039)*	
Net current assets			**3,024,444**		*1,766,480*
Total assets less current liabilities			**3,024,444**		*1,766,480*
Net assets			**3,024,444**		*1,766,480*
Capital and reserves					
Called up share capital	16		**1**		*1*
Profit and loss account			**3,024,443**		*1,766,479*
			3,024,444		*1,766,480*

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

M Whelan
Director

Date: 27 September 2023

The notes on pages 15 to 28 form part of these financial statements.

ISTIM UK LIMITED
REGISTERED NUMBER: 04014700

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 $		*2021* *$*
Fixed assets					
Investments	10		**496,179**		*496,179*
			496,179		*496,179*
Current assets					
Debtors: amounts falling due within one year	11	**44,277,386**		*52,797,755*	
Cash at bank and in hand	12	**1,529,825**		*2,529,936*	
		45,807,211		*55,327,691*	
Creditors: amounts falling due within one year	13	**(48,184,234)**		*(58,777,093)*	
Net current liabilities			**(2,377,023)**		*(3,449,402)*
Total assets less current liabilities			**(1,880,844)**		*(2,953,223)*
Net assets excluding pension asset			**(1,880,844)**		*(2,953,223)*
Net liabilities			**(1,880,844)**		*(2,953,223)*
Capital and reserves					
Called up share capital	16		**1**		*1*
Profit and loss account brought forward		**(2,953,224)**		*(4,039,342)*	
Profit for the year		**1,072,379**		*1,086,118*	
Profit and loss account carried forward			**(1,880,845)**		*(2,953,224)*
			(1,880,844)		*(2,953,223)*

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

M Whelan
Director

Date: 27 September 2023

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	$	$	$
At 1 January 2021	**1**	**(1,807,337)**	**(1,807,336)**
Comprehensive income for the year			
Profit for the year	-	**3,573,816**	**3,573,816**
Total comprehensive income for the year	**-**	**3,573,816**	**3,573,816**
At 1 January 2022	**1**	**1,766,479**	**1,766,480**
Comprehensive income for the year			
Profit for the year	-	**1,257,964**	**1,257,964**
Total comprehensive income for the year	**-**	**1,257,964**	**1,257,964**
At 31 December 2022	**1**	**3,024,443**	**3,024,444**

The notes on pages 15 to 28 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	$	$	$
At 1 January 2021	1	(4,039,342)	(4,039,341)
Comprehensive income for the year			
Profit for the year	-	1,086,118	1,086,118
Total comprehensive income for the year	-	1,086,118	1,086,118
At 1 January 2022	1	(2,953,224)	(2,953,223)
Comprehensive income for the year			
Profit for the year	-	1,072,379	1,072,379
Total comprehensive income for the year	-	1,072,379	1,072,379
At 31 December 2022	1	(1,880,845)	(1,880,844)

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 $	*2021* *$*
Cash flows from operating activities		
Profit for the financial year	**1,257,964**	*3,573,816*
Adjustments for:		
Interest paid	**483,879**	*1,407,473*
Taxation charge	**(722,323)**	*440,225*
Decrease in debtors	**19,128,665**	*22,510,495*
(Increase) in amounts owed by group	**(10,728,122)**	*(4,559,675)*
Increase/(decrease) in creditors	**164,436**	*(2,753,218)*
(Decrease) in amounts owed to group	**(9,275,064)**	*(19,146,400)*
Corporation tax (paid)	**(686,614)**	*(66,059)*
Net cash generated from operating activities	**(377,179)**	*1,406,657*
Cash flows from financing activities		
Interest paid	**(483,879)**	*(1,407,473)*
Net cash used in financing activities	**(483,879)**	*(1,407,473)*
Net (decrease) in cash and cash equivalents	**(861,058)**	*(816)*
Cash and cash equivalents at beginning of year	**2,645,038**	*2,645,854*
Cash and cash equivalents at the end of year	**1,783,980**	*2,645,038*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**1,783,980**	*2,645,038*
	1,783,980	*2,645,038*

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 $	Cash flows $	At 31 December 2022 $
Cash at bank and in hand	**2,645,038**	**(861,058)**	**1,783,980**
	2,645,038	**(861,058)**	**1,783,980**

The notes on pages 15 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

ISTIM UK Limited is a private company, limited by shares, which is incorporated in England and Wales in the United Kingdom under the Companies Act 2006. The company number and address of the registered office is given on the Company information page.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group has made a profit of $1,257,964 for the year ended 31 December 2022 and has net assets of $3,024,444 at 31 December 2022.

The Group is dependant on support from its parent company, ISTIM Metals LLC and has an inter-company payable as at 31 December 2022 of $22,270,181. This balance is used as a trading balance and it not due to be repaid unless funds are available.

Based on current results and future forecasting, the Directors believe the Group has the ability to pay its debts as and when they fall due over the next 12 months.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that the Group can continue to adopt the going concern basis.

2. Accounting policies (continued)

2.4 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 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.

2.12 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 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. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group 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.

2.15 Financial instruments

The Group 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the times when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgments in applying the Company's accounting policies

The critical judgments that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(ii) Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individuals or groups of customers.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 $	*2021* *$*
Warehousing and storage facilities	**30,235,203**	*54,477,551*
	30,235,203	*54,477,551*

Analysis of turnover by country of destination:

	2022 $	*2021* *$*
United Kingdom	**-**	*77,621*
Rest of the world	**30,235,203**	*54,399,930*
	30,235,203	*54,477,551*

5. Operating profit

The operating profit is stated after charging:

	2022 $	*2021* *$*
Exchange differences	**21,093**	*53,669*
Operating lease rentals	**17,887,871**	*34,613,893*

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 $	*2021* *$*
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	**12,650**	*12,000*

7. Employees

Staff costs were as follows:

	Group 2022 $	*Group 2021 $*	Company 2022 $	*Company 2021 $*
Wages and salaries	**403,716**	*529,900*	**365,158**	*486,597*
Social security costs	**33,186**	*68,033*	**26,563**	*62,736*
Cost of defined contribution scheme	**1,616**	*2,140*	**1,616**	*2,140*
	438,518	*600,073*	**393,337**	*551,473*

The average monthly number of employees, including the director, during the year was as follows:

	Group 2022 No.	*Group 2021 No.*	Company 2022 No.	*Company 2021 No.*
Employees	**1**	*2*	-	*1*

8. Interest payable and similar expenses

	2022 $	*2021 $*
Loan interest payable	**483,879**	*1,407,473*
	483,879	*1,407,473*

9. Taxation

	2022 $	*2021 $*
Corporation tax		
Current tax recoverable on profits for the year	**108,332**	*486,354*
Adjustments in respect of previous periods	**(46,812)**	*(46,129)*
Total current tax	**61,520**	*440,225*
Origination and reversal of timing differences	**(783,843)**	-
Taxation on (loss)/profit on ordinary activities	**(722,323)**	*440,225*

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 $	*2021* *$*
Profit on ordinary activities before tax	**535,641**	*4,014,041*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**101,772**	*762,668*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**57,115**	*(59,118)*
Adjustments to tax charge in respect of prior periods	**(46,812)**	*(46,129)*
Recognition of previously unrecognised deferred tax	**(684,300)**	-
Deferred tax not recognised at lower rate	**(150,098)**	-
Movement in deferred tax not recognised	**-**	*(217,196)*
Total tax charge for the year	**(722,323)**	*440,225*

10. Fixed asset investments

Company

	Investments in subsidiary companies $
Cost or valuation	
At 1 January 2022	**496,179**
At 31 December 2022	**496,179**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
ISTIM Singapore PTE Limited	137 Telok St, #0801, Singapore	Ordinary	100%

11. Debtors

	Group 2022 $	*Group 2021 $*	Company 2022 $	*Company 2021 $*
Trade debtors	**12,320,959**	*16,035,733*	**9,555,749**	*14,966,107*
Amounts owed by group undertakings	**16,842,718**	*4,559,675*	**19,241,769**	*8,977,090*
Other debtors	**3,824,831**	*5,271,990*	**2,892,256**	*4,140,124*
Prepayments and accrued income	**19,372,657**	*33,339,389*	**11,803,769**	*24,714,434*
Tax recoverable	**-**	*45,694*	**-**	*-*
Deferred taxation	**783,843**	*-*	**783,843**	*-*
	53,145,008	*59,252,481*	**44,277,386**	*52,797,755*

12. Cash and cash equivalents

	Group 2022 $	*Group 2021 $*	Company 2022 $	*Company 2021 $*
Cash at bank and in hand	**1,783,980**	*2,645,038*	**1,529,825**	*2,529,936*
	1,783,980	*2,645,038*	**1,529,825**	*2,529,936*

13. Creditors: Amounts falling due within one year

	Group 2022 $	*Group 2021 $*	Company 2022 $	*Company 2021 $*
Trade creditors	**20,629,818**	*20,532,884*	**18,154,678**	*20,518,612*
Amounts owed to group undertakings	**22,270,180**	*29,990,323*	**22,270,181**	*29,990,323*
Corporation tax	**102,798**	*773,585*	**-**	*-*
Other taxation and social security	**-**	*101,548*	**-**	*101,548*
Accruals and deferred income	**8,901,748**	*8,732,699*	**7,759,375**	*8,166,610*
	51,904,544	*60,131,039*	**48,184,234**	*58,777,093*

As part of the loan facility between Macquarie Bank and Istim Metals LLC, there is a fixed and floating charge over the assets and undertakings of Istim UK Limited.

14. Financial instruments

	Group 2022 $	*Group 2021 $*	Company 2022 $	*Company 2021 $*
Financial assets				
Financial assets measured at face value through profit or loss	**1,783,980**	*2,645,038*	**1,529,825**	*2,529,936*
Financial assets that are debt instruments measured at amortised cost	**34,364,592**	*29,328,901*	**16,690,336**	*31,544,824*
	36,148,572	*31,973,939*	**18,220,161**	*34,074,760*
Financial liabilities				
Financial liabilities measured at amortised cost	**56,120,737**	*62,780,266*	**52,437,497**	*62,199,905*

Financial assets measured at fair value through profit or loss comprise trade debtors and other debtors.

Other financial liabilities measured at fair value through profit and loss comprise trade creditors and accruals.

15. Deferred taxation

Group

	2022 $
Credited to profit or loss	**783,843**
At end of year	**783,843**

15. Deferred taxation (continued)

Company

	2022 $
Credited to profit or loss	**783,843**
At end of year	**783,843**

	Group 2022 $	Company 2022 $
Tax losses carried forward	**783,843**	**783,843**
	783,843	**783,843**

16. Share capital

	2022 $	*2021 $*
Allotted, called up and fully paid		
1 *(2021 - 1)* Ordinary share of £1.00	**1**	*1*

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,616 (2021: £2,140). Contributions totalling £nil (2021: £257) were payable to the fund at the balance sheet date.

18. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 $	*Group 2021 $*	**Company 2022 $**	*Company 2021 $*
Not later than 1 year	**1,399,857**	*16,346,583*	**1,038,552**	*13,797,638*
Later than 1 year and not later than 5 years	**147,698**	*1,172,331*	**147,698**	*1,037,741*
	1,547,555	*17,518,914*	**1,186,250**	*14,835,379*

19. Related party transactions

Included within creditors at year end is $22,170,180 (2021: $29,990,323) due to ISTIM Metals LLC from ISTIM UK.

Included within debtors at the year end is $16,842,718 (2021: $4,559,675), due to ISTIM Singapore PTE Limited from ISTIM Metals LLC.

Included within trade creditors at year end is $nil (2021: $186) due to Bengal Commodities Limited a 100% subsidiary of Bengal Capital Limited. The latter is 40% owned by WKMB Enterprises LLC, a US Company. WKMB Enterprises LLC is the majority shareholder of ISTIM Metals LLC. At the year end there was no amount outstanding from and to Bengal Capital Limited.

20. 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.

In the opinion of the directors, the ultimate parent entity is WKMB Enterprises LLC a partnership based in USA.