

Company Registration No. 04213387 (England and Wales)

**A & M MINERALS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

THURSDAY



\*A5LWVYR5\*

A09

15/12/2016

#335

COMPANIES HOUSE

# A & M MINERALS LIMITED

## COMPANY INFORMATION

---

<b>Director</b>	O C Norris	(Appointed 22 July 2015)
<b>Secretary</b>	O C Norris	
<b>Company number</b>	04213387	
<b>Registered office</b>	Apex Yard 29-35 Long Lane London SE1 4PL	
<b>Auditor</b>	D Lee & Co. 2nd Floor Premier House 309 Ballards Lane London N12 8LY	
<b>Business address</b>	Apex Yard 29-35 Long Lane London SE1 4PL	

---

# A & M MINERALS LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Director's report	2
Director's responsibilities statement	3
Independent auditor's report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 18

---

# A & M MINERALS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2016

---

The director presents the strategic report for the year ended 30 June 2016.

#### **Fair review of the business**

The company has had a stable profitable year of trading for the year ended 30 June 2016. All tin trades have been hedged on the London Metal Exchange and all of our non-tin trades have been carried out on a back to back basis. Also, overheads have been reduced which has helped to bring the consolidated result back into profit for the financial year.

#### **Principal risks and uncertainties**

The objectives, policies and strategies applied with respect to the management of financial risk are determined by the director. The principal financial instruments used by the company to finance its operations are cash, bank overdrafts and secured debt.

##### **Foreign currency risk**

The company's reporting currency is US dollars but it operates in different parts of the world in different currencies. The company enters into forward contracts to protect against the risk that the cost of goods will increase due to exchange rate fluctuations.

##### **Interest rate risk**

The company's exposure to interest rate fluctuations is constantly monitored. There is no formal policy on bank overdrafts but a variable rate is applied over secured debts.

##### **Liquidity risk**

The company monitors the cash flow and the available balance of the trading facility on a daily basis and regularly adjusts the amount it needs to borrow in accordance with what is required which also helps to lower the indirect trading costs.

##### **Credit risk**

The company's trade debtors are well established business in the commodities world and regular credit checks are performed on all major customers.

##### **Price risk**

The company is exposed to changes in the market prices of its stock. In order to protect against adverse price movements, the company uses forward agreements where possible to lock in the price of stock and periodically reviews its agreements with suppliers to ensure these are on commercially favourable terms.

#### **Development and performance**

Adequate finance has been obtained to take advantage of business opportunities and the director considers the state of affairs to be under control in what will continue to be challenging market conditions.

The director monitors the business on a timely basis in order to assess performance and manage business risk.

#### **Key performance indicators**

Turnover	\$35,419,826 [2015: \$35,483,466]
Gross profit/loss	\$2,258,545 [2015: (\$2,617,932)]
Profit/(loss) after tax	\$245,783 [2015: (\$5,268,462)]
Net current liabilities	\$947,333 [2015: \$1,193,116]

On behalf of the board

  
O C Norris  
Director

31 October 2016

# **A & M MINERALS LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2016**

---

The director presents his annual report and financial statements for the year ended 30 June 2016.

#### **Principal activities**

The principal activity of the company continued to be that of trading of minerals and metals.

#### **Director**

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

C A Bloggs

(Resigned 29 July 2015)

O C Norris

(Appointed 22 July 2015)

#### **Results and dividends**

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that D Lee & Co. be reappointed as auditor of the company will be put at a General Meeting.

#### **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



O C Norris

**Director**

31 October 2016

# **A & M MINERALS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2016***

---

The director is responsible for preparing the annual report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# **A & M MINERALS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF A & M MINERALS LIMITED**

---

We have audited the financial statements of A & M Minerals Limited for the year ended 30 June 2016 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

# **A & M MINERALS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A & M MINERALS LIMITED**

---

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**D Lee (Senior Statutory Auditor)  
for and on behalf of D Lee & Co.**

31 October 2016

**Chartered Certified Accountants  
Statutory Auditor**

2nd Floor  
Premier House  
309 Ballards Lane  
London  
N12 8LY



# A & M MINERALS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2016

---

	Notes	2016 \$	2015 \$
Turnover	3	35,419,826	35,483,466
Cost of sales		(33,161,281)	(38,101,398)
<b>Gross profit/(loss)</b>		<u>2,258,545</u>	<u>(2,617,932)</u>
Administrative expenses		(1,767,257)	(2,233,895)
<b>Operating profit/(loss)</b>	4	<u>491,288</u>	<u>(4,851,827)</u>
Interest payable and similar charges	6	(246,722)	(416,635)
<b>Profit/(loss) before taxation</b>		<u>244,566</u>	<u>(5,268,462)</u>
Taxation	7	<u>1,217</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>		<u><u>245,783</u></u>	<u><u>(5,268,462)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **A & M MINERALS LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30 JUNE 2016**

---

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Profit/(loss) for the year</b>	<b>245,783</b>	<b>(5,268,462)</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>245,783</b>	<b>(5,268,462)</b>

---

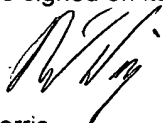
# A & M MINERALS LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 \$	\$	2015 \$	\$
<b>Current assets</b>					
Stocks	9	9,630,655		5,880,139	
Debtors	10	11,410,689		9,325,502	
Cash at bank and in hand		1,139,745		1,783,202	
		<u>22,181,089</u>		<u>16,988,843</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(23,128,422)</u>		<u>(18,181,959)</u>	
<b>Net current liabilities</b>			<u>(947,333)</u>		<u>(1,193,116)</u>
<b>Capital and reserves</b>					
Called up share capital	13		142		142
Profit and loss reserves			<u>(947,475)</u>		<u>(1,193,258)</u>
<b>Total equity</b>			<u>(947,333)</u>		<u>(1,193,116)</u>

The financial statements were approved by the board of directors and authorised for issue on 31 October 2016 and are signed on its behalf by:



O C Norris  
Director

Company Registration No. 04213387

# A & M MINERALS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital \$	Profit and loss reserves \$	Total \$
Balance at 1 July 2014		142	4,075,204	4,075,346
Year ended 30 June 2015:				
Loss and total comprehensive income for the year		-	(5,268,462)	(5,268,462)
Balance at 30 June 2015		142	(1,193,258)	(1,193,116)
Year ended 30 June 2016:				
Profit and total comprehensive income for the year		-	245,783	245,783
Balance at 30 June 2016		142	(947,475)	(947,333)

# A & M MINERALS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	\$	2015 \$	\$
<b>Cash flows from operating activities</b>					
Cash generated from operations	16	1,102,048		10,442,892	
Interest paid		(246,722)		(416,635)	
Income taxes refunded/(paid)		1,217		-	
<b>Net cash inflow from operating activities</b>		<b>856,543</b>		<b>10,026,257</b>	
<b>Net cash used in investing activities</b>		-		-	
<b>Net cash used in financing activities</b>		-		-	
<b>Net increase in cash and cash equivalents</b>		<b>856,543</b>		<b>10,026,257</b>	
Cash and cash equivalents at beginning of year		(8,216,798)		(18,243,055)	
<b>Cash and cash equivalents at end of year</b>		<b>(7,360,255)</b>		<b>(8,216,798)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		1,139,745		1,783,202	
Bank overdrafts included in creditors payable within one year		(8,500,000)		(10,000,000)	

# **A & M MINERALS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2016**

---

#### **1 Accounting policies**

##### **Company information**

A & M Minerals Limited is a company limited by shares incorporated in England and Wales. The registered office is Apex Yard, 29-35 Long Lane, London, SE1 4PL.

##### **1.1 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.

The financial statements are prepared in US dollars, 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 under the historical cost convention, modified to include the revaluation of freehold properties, stock at market value and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of A & M Minerals Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Going concern**

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

---

### 1 Accounting policies

(Continued)

#### 1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell with the exception of stocks of tin which are included in the balance sheet at market value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

Tin is accounted at market value as it is traded on the London Metal Exchange. The difference between the cost and market value of stocks of tin is taken to the profit and loss account.

In the opinion of the director, this policy properly reflects the trading of the company and represents a true and fair view of the company's financial position as at the balance sheet date.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

##### **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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

---

### 1 Accounting policies

(Continued)

#### ***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, loans from fellow group companies and preference shares that are classified as debt, 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.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.



# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

---

#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

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

#### 1.7 Equity instruments

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 once they are no longer at the discretion of the company.

#### 1.8 Taxation

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

##### ***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.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.9 Foreign exchange

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

#### 1.10 Forward contract recognition

Forward contracts at the balance sheet date are valued against market value at the balance sheet date on the commodity by commodity basis. Full provisions are made for the net unrealised losses for a commodity and no account is taken of net unrealised profits for a commodity.

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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. Actual results may differ from these estimates.

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.

### 3 Turnover and other revenue

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

	2016 \$	2015 \$
<b>Turnover</b>		
Sales of goods	35,419,826	35,483,466

#### Turnover analysed by geographical market

	2016 \$	2015 \$
World market	35,419,826	35,483,466

The director considers that a geographical split of turnover is inappropriate as commodities are effectively traded in a world market.

### 4 Operating profit/(loss)

	2016 \$	2015 \$
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange (losses)/gains	323,836	(91,073)
Cost of stocks recognised as an expense	33,161,281	38,101,398

### 5 Auditor's remuneration

	2016 \$	2015 \$
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the company's financial statements	10,042	11,795
<b>For other services</b>		
Taxation compliance services	2,678	3,145

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 6 Interest payable and similar charges

	2016	2015
	\$	\$
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	246,722	416,635

### 7 Taxation

	2016	2015
	\$	\$
<b>Current tax</b>		
Adjustments in respect of prior periods	(1,217)	-

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	\$	\$
Profit/(loss) before taxation	244,566	(5,268,462)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	48,913	(1,093,206)
Tax effect of expenses that are not deductible in determining taxable profit	-	8,890
Tax effect of utilisation of tax losses not previously recognised	(48,913)	-
Unutilised tax losses carried forward	-	1,084,316
Adjustments in respect of prior years	(1,217)	-
Tax expense for the year	(1,217)	-

### 8 Financial instruments

	2016	2015
	\$	\$
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	10,240,340	7,162,073
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	23,128,422	18,181,959

### 9 Stocks

	2016	2015
	\$	\$
Finished goods and goods for resale	9,630,655	5,880,139

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 10 Debtors

	2016	2015
	\$	\$
<b>Amounts falling due within one year:</b>		
Trade debtors	5,030,314	1,758,784
Amounts due from subsidiary undertakings	2,939,407	3,132,119
Other debtors	2,278,965	2,278,406
Prepayments and accrued income	1,162,003	2,156,193
	<u>11,410,689</u>	<u>9,325,502</u>

### 11 Creditors: amounts falling due within one year

	Notes	2016	2015
		\$	\$
Bank loans and overdrafts	12	8,500,000	10,000,000
Trade creditors		3,867,790	375,849
Amounts due to group undertakings		8,554,912	7,532,789
Other creditors		14,765	551
Accruals and deferred income		2,190,955	272,770
		<u>23,128,422</u>	<u>18,181,959</u>

### 12 Loans and overdrafts

	2016	2015
	\$	\$
Bank overdrafts	<u>8,500,000</u>	<u>10,000,000</u>
Payable within one year	<u>8,500,000</u>	<u>10,000,000</u>

The bank loan and overdrafts are secured on the company's stocks and trade debtors and by cross guarantees with certain other group companies.

### 13 Share capital

	2016	2015
	\$	\$
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of \$1.42 each	<u>142</u>	<u>142</u>

# A & M MINERALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

---

#### 14 Financial commitments, guarantees and contingent liabilities

At the balance sheet date the company had entered into forward contracts for the purchase and sale of minerals and metals and had opened letters of credit in the ordinary course of business.

The company has entered into a cross guarantee with certain other group companies to secure the banking arrangement of the group.

There is no financial commitments and contingent liabilities.

#### 15 Controlling party

For the whole year, the ultimate parent company was A & M Group Limited, a company incorporated in England and Wales, which is the parent of both the largest and smallest company in the group of which the company is a member. It holds 100% of the company shares. The ultimate controlling party is Mr S S Lim.

Copies of the consolidated accounts of A & M Group Limited are available from Apex Yard, 29-25 Long Lane, London SE1 4PL.

#### 16 Cash generated from operations

	2016 \$	2015 \$
Profit/(loss) for the year after tax	245,783	(5,268,462)
<b>Adjustments for:</b>		
Taxation credited	(1,217)	-
Finance costs	246,722	416,635
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(3,750,516)	15,120,678
(Increase)/decrease in debtors	(2,085,187)	1,298,855
Increase/(decrease) in creditors	6,446,463	(1,124,814)
<b>Cash generated from operations</b>	<u>1,102,048</u>	<u>10,442,892</u>