

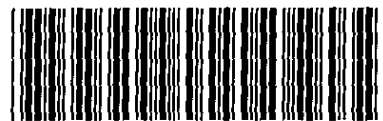
Registration number: 04368321

Metallurgical Supplies Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 May 2021

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Metallurgical Supplies Limited

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Metallurgical Supplies Limited

Company Information

Directors	G Banham Hargreaves Corporate Director Limited
Registered office	West Terrace Esh Winning Durham DH17 9PT

Metallurgical Supplies Limited

Directors' Report for the Year Ended 31 May 2021

The directors present their report and the unaudited financial statements for the year ended 31 May 2021.

Principal activity

The Company did not trade during the current or previous financial year.

Dividends

The directors do not recommend the payment of a dividend (2020: £nil)

Directors of the company

The directors of the company, who were in office during the year and up to the date of signing the financial statements, were as follows:

G Banham

Hargreaves Corporate Director Limited

Directors' interests in shares

No director had a beneficial interest in the share capital of any subsidiary of Hargreaves Services plc. No director had interests in the share capital of Hargreaves Services plc.

No director was granted, or exercised, any options to subscribe in the shares of Hargreaves Services plc during the year ended 31 May 2021. (2020: £nil).

Directors' liabilities

All of the Directors benefited from the Group's qualifying third party indemnity provisions.

Metallurgical Supplies Limited

Directors' Report for the Year Ended 31 May 2021 (continued)

Going concern

The Group's financing is no longer dependent on bank borrowings, there is no longer any debenture or financial covenants to comply with. Notwithstanding that, a rigorous review of cash flow forecasts including testing for a range of challenging downside sensitivities has been undertaken. These sensitivities include testing without utilising the Group's £12m invoice discounting facility which was put in place on 27 July 2021. The facility is secured against certain Group debtors and there is no debenture nor any covenants associated with this facility. Mitigating strategies to these sensitivities considered by the Board exclude any remedies which are not entirely within the Group's control. As a result, and after making appropriate enquiries including reviewing budgets and strategic plans, the Directors have a reasonable expectation that both the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the Annual Report and Accounts of Hargreaves Services plc.

As a result of the above, the financial statements of the Company have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Hargreaves Services plc, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Hargreaves Services plc not seeking repayment of the amounts currently due to the group and providing additional financial support during that period. Hargreaves Services plc has indicated it will continue to make available such funds as are needed by the company, and that it will not seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

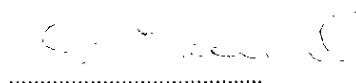
Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Small companies provision statement

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Approved by the Board on 3 December 2021 and signed on its behalf by:



.....
Hargreaves Corporate Director Limited
Director

Metallurgical Supplies Limited

Profit and Loss Account for the Year Ended 31 May 2021

	Note	2021 £ 000	2020 £ 000
Administrative expenses		-	5
Profit before tax		-	5
Tax on profit	5	-	(1)
Profit for the year		-	4

There was no other comprehensive income in addition to the result for the year shown above. (2020: £nil).

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(Registration number: 04368321)

Balance Sheet as at 31 May 2021

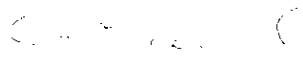
	Note	31 May 2021 £ 000	31 May 2020 £ 000
Current assets			
Debtors	6	2	1
Creditors: Amounts falling due within one year	7	(2)	(1)
Net assets/(liabilities)		-	-
Capital and reserves			
Called up share capital	8	-	-
Shareholders' funds/(deficit)		-	-

For the financial year ending 31 May 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 4 to 11 were approved by the Board of directors on 3 December 2021 and signed on its behalf by:


.....
Hargreaves Corporate Director Limited
Director

Metallurgical Supplies Limited

Statement of Changes in Equity for the Year Ended 31 May 2021

At 1 June 2019	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
Profit for the year	-	18	18
	-	4	4
Total comprehensive income	-	4	4
Dividends	-	(22)	(22)
At 31 May 2020	-	-	-
	Called up share capital £ 000	Retained earnings £ 000	Total £ 000
At 31 May 2021	-	-	-

Metallurgical Supplies Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England within the UK.

The address of its registered office is:

West Terrace
Esh Winning
Co Durham
DH7 9PT

These financial statements were authorised for issue by the Board on 3 December 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and are prepared under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Hargreaves Services plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Going concern

The company ceased trading in the previous years and as a consequence the directors have continued to prepare the financial statements on a non-going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Metallurgical Supplies Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021 (continued)

2 Accounting policies (continued)

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 June 2020 have had a material effect on the financial statements.

Finance income and costs policy

Net financing costs comprise interest payable, finance charges on leases and interest receivable on funds invested net of the interest on the defined benefit pension scheme liability. This is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit liability.

Interest income and interest payable is recognised in the Income Statement as it accrues, using the effective interest method. Dividend income is recognised in the Income Statement on the date the entity's right to receive payment is established.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty

There are no significant accounting estimates and judgements in the current or prior year.

There are no material judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

4 Directors' remuneration

The directors did not receive any remuneration for their services to the company (2020: £nil).

Metallurgical Supplies Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021 (continued)

5 Tax on profit/(loss)

Tax charged/(credited) in the profit and loss account

	2021 £ 000	2020 £ 000
Current taxation		
Group relief	-	1

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	-	5
Corporation tax at standard rate	-	1
Decrease in current tax from adjustment for prior periods	(1)	-
Increase from effect of expenses not deductible in determining taxable profit	-	525
Total tax (credit)/charge	(1)	526

Factors that may affect future tax expenses

Following the March 2021 budget, the corporate tax rate will increase from 19% to 25%, with effect from 1 April 2025. The deferred tax balances at 31 May 2021 and 31 May 2020 have been calculated based on the rate substantively enacted at the balance sheet date of 25% and 19% respectively.

6 Debtors

	31 May 2021 £ 000	31 May 2020 £ 000
Note		
Loans to group undertakings	2	1

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

Metallurgical Supplies Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021 (continued)

7 Creditors: amounts falling due within one year

	31 May 2021	31 May 2020
Note	£ 000	£ 000
Group relief payable	<u>2</u>	<u>1</u>

8 Called up share capital

Allotted, called up and fully paid shares

	31 May 2021		31 May 2020	
	No.	£	No.	£
'A' Ordinary shares of £1 each	50	50	50	50
'B' Ordinary shares of £1 each	50	50	50	50
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The 'A' and 'B' ordinary shares rank pari passu in all respects.

9 Related party transactions

Summary of transactions with other related parties

In these financial statements, the company has applied the exemption available under FRS 101 regarding disclosures in respect of transactions with wholly owned subsidiaries within the group. At the current and previous year end, the company had no balances outstanding with, or sales to/purchases from any other related parties.

All transactions and outstanding balances relate to general intercompany trade and working capital management.

10 Contingent liabilities

The Company is party to a group composite arrangement with certain of the companies in the Hargreaves Services plc group. This is in respect of the banking arrangements of Hargreaves Services plc (as outlined further in the Hargreaves Services plc group accounts). The total amount drawn on the group banking facility at 31 May 2021 was £nil (2020: £32,000,000).

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Notes to the Unaudited Financial Statements for the Year Ended 31 May 2021 (continued)

11 Parent and ultimate parent undertaking

The company's immediate parent is Hargreaves UK Limited.

The ultimate parent is Hargreaves Services plc. The only group in which the results of the Company are consolidated is that headed by Hargreaves Services plc. The consolidated financial statements of this company are available to the public and may be obtained from their registered address West Terrace, Esh Winning, Durham, DH17 9PT.