

SSS SUPER ALLOYS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018



SSS SUPER ALLOYS LIMITED

COMPANY INFORMATION

Directors	A E Jones A E Doyle M A Naylor M A Welden N,L Jones (appointed 1 March 2018)
Registered number	05045017
Registered office	Mill House Forge Lane Minworth Industrial Park Minworth Sutton Coldfield B76 1AH
Independent auditor	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	Barclays Plc Level 11 1 Churchill Place London E14 5HP

SSS SUPER ALLOYS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 23

SSS SUPER ALLOYS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The directors present their review for the year ended 31 December 2018.

Business review

The principal activity of SSS Super Alloys Limited is stockholding and associated processing of Nickel Alloy products.

2018 was another positive year for the company on all fronts, and we are pleased to report sales growth in line with our plan and good profitability, finishing the year with reported profit before tax substantially ahead of budget.

Current trading conditions for 2019 are very positive and the management are continuing to look at opportunities to widen the company's profile within both the Oil and Gas and Aerospace sectors.

The company is trading profitably in 2019, reporting well ahead of budgeted profit before tax, and is operating well within its funding facilities.

The directors remain extremely optimistic as to the company's prospects for 2019 and beyond.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The directors actively manage these risks by monitoring levels of risk and the related costs. During the year the company has entered into asset backed funding arrangements in order to provide its day to day working capital. These facilities are dependent upon there being sufficient asset cover to produce the funding required. This is monitored closely by the directors to ensure that sufficient headroom exists.

As the company is primarily a steel stockholder, a principal risk is maintaining the right stock levels and ensuring sufficient lines of supply to meet customers' needs.

Our international trading means we are exposed to exchange rate fluctuations which are limited by a natural trading hedge, with any residual risk being managed using forward contracts where considered appropriate. Credit risk is closely monitored and is mitigated by credit insurance taken out with a major insurer. Complying with the conditions of the insurance policy imposes discipline and rigour in to our assessment of credit risk.

SSS SUPER ALLOYS LIMITED

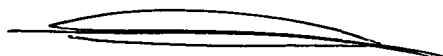
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial key performance indicators

The key financial performance indicators monitored by the board are turnover, gross profit, EBITDA, stock turn and debtor days outstanding. The relevant figures were:

	2018 £000	2017 £000
Turnover	21,925	19,490
Gross Profit	3,175	2,627
EBITDA	1,366	1,002
Stock Turn (Days)	86	148
Debtor Days	89	93

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



A E Jones
Director

Date: 1 April 2019

SSS SUPER ALLOYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies for the company's financial statements 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 directors are 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,086,000 (2017: £904,000).

The directors do not recommend the payment of a dividend (2017: £Nil).

Directors

The directors who served during the year are shown on the company information page.

Future developments

The directors aim is to maintain the management policies and niche market focus which have resulted in the growth of the company and profit generation during the year.

SSS SUPER ALLOYS LIMITED

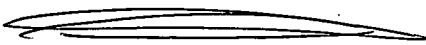
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

Each of the persons who are directors 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 auditor is 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 auditor is aware of that information.

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



A E Jones

Director

Date: 1 April 2019

SSS SUPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSS SUPER ALLOYS LIMITED

Opinion

We have audited the financial statements of SSS Super Alloys Limited (the 'company') for the year ended 31 December 2018, which comprise the profit and loss account, the balance sheet, the 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 company's affairs as at 31 December 2018 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

SSS SUPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSS SUPER ALLOYS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, the directors are 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

SSS SUPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SSS SUPER ALLOYS LIMITED (CONTINUED)

Auditor's 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 auditor's 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 financial statements.

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 auditor's report.

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 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.

PKF Cooper Parry Group Limited

Peter Sterling (Senior Statutory Auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: *3 April 2018*

SSS SUPER ALLOYS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	1,3	21,925	19,490
Cost of sales		(18,750)	(16,863)
Gross profit		<u>3,175</u>	<u>2,627</u>
Administrative expenses		(1,888)	(1,714)
Operating profit		<u>1,287</u>	<u>913</u>
Interest payable and expenses	7	(332)	(264)
Profit before tax		<u>955</u>	<u>649</u>
Tax on profit	8	132	255
Profit for the financial year		<u><u>1,087</u></u>	<u><u>904</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

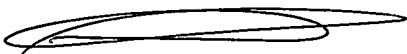
The notes on pages 11 to 23 form part of these financial statements.

SSS SUPER ALLOYS LIMITED
REGISTERED NUMBER: 05045017

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	9	179	216
		<u>179</u>	<u>216</u>
Current assets			
Stocks	10	5,714	5,598
Debtors: amounts falling due after more than one year	11	166	97
Debtors: amounts falling due within one year	11	8,595	7,746
Bank and cash balances		101	124
		<u>14,576</u>	<u>13,565</u>
Creditors: amounts falling due within one year	12	<u>(7,537)</u>	<u>(6,850)</u>
Net current assets		<u>7,039</u>	<u>6,715</u>
Total assets less current liabilities		<u>7,218</u>	<u>6,931</u>
Creditors: amounts falling due after more than one year	13	-	(800)
Net assets		<u><u>7,218</u></u>	<u><u>6,131</u></u>
Capital and reserves			
Called up share capital	16	100	15,447
Profit and loss account		7,118	(9,316)
		<u>7,218</u>	<u>6,131</u>

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



A E Jones
Director

Date: 1 April 2019

The notes on pages 11 to 23 form part of these financial statements.

SSS SUPER ALLOYS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	15,447	(9,316)	6,131
Profit for the year	-	1,087	1,087
Transfer from share capital account (Note 16)	-	15,347	15,347
Transfer to profit and loss account (Note 16)	(15,347)	-	(15,347)
At 31 December 2018	100	7,118	7,218

The notes on pages 11 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	15,447	(10,220)	5,227
Profit for the year	-	904	904
At 31 December 2017	15,447	(9,316)	6,131

The notes on pages 11 to 23 form part of these financial statements.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

SSS Super Alloys Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2018 (2017: 31 December 2017).

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom 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 the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The following principal accounting policies have been consistently applied:

1.2 Exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a statement of cash flows and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the group accounts of Tedstone Holdings Limited. The group accounts of Tedstone Holdings Limited are available to the public and can be obtained as set out in note 21.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.4 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	15% straight line
Fixtures and fittings	-	15 - 20% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

1.5 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other parties and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.8 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items revalued at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within "administrative expenses".

1.10 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.11 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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 in the short term.

Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Carrying value of stocks

As a nickel and steel stockholder, whose prices can be volatile, the directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Leases

The directors determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and the directors' judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Analysis of turnover

The total turnover of the company for the year has been derived from its principal activity.

The segmental analysis of turnover by destination is as follows:

	2018 £000	2017 £000
United Kingdom	6,568	6,051
Rest of Europe	7,287	7,243
Rest of World	8,070	6,196
	<u>21,925</u>	<u>19,490</u>

4. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	79	89
Operating lease charges - land and buildings	135	87
Exchange differences	34	2
Fees payable to the company's auditor for the audit of the company's annual accounts	20	19
	<u>268</u>	<u>197</u>

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £000	2017 £000
Wages and salaries	1,180	1,073
Social security costs	142	98
Pension costs	59	60
	<u>1,381</u>	<u>1,231</u>

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

	2018 No.	2017 No.
Sales and administration	14	16
Production	11	7
	<u>25</u>	<u>23</u>

SSS SUPER ALLOYS LIMITED

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

6. Directors' remuneration

	2018 £000	2017 £000
Directors emoluments	255	112
Company contributions	7	7
	<u>262</u>	<u>119</u>

During the year retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £143,000 (2017: £98,000).

7. Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable on asset backed loan	184	90
Interest payable on other loans	148	174
	<u>332</u>	<u>264</u>

8. Taxation

	2018 £000	2017 £000
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(132)	(255)
Total deferred tax	<u>(132)</u>	<u>(255)</u>
Taxation on profit on ordinary activities	<u>(132)</u>	<u>(255)</u>

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below.

	2018 £000	2017 £000
Profit on ordinary activities before tax	955	649
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	181	125
Effects of:		
Expenses not deductible for tax purposes	9	2
Adjust deferred tax to average rate	-	(15)
Movement in deferred taxation not recognised	(322)	(367)
Total tax charge for the year	(132)	(255)

Factors that may affect future tax charges

The company has £5,200,000 (2017: £6,200,000) of trading losses carried forward to utilise against future trading profits.

SSS SUPER ALLOYS LIMITED

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

9. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2018	572	123	695
Additions	26	16	42
At 31 December 2018	<u>598</u>	<u>139</u>	<u>737</u>
Depreciation			
At 1 January 2018	412	67	479
Charge for the year	60	19	79
At 31 December 2018	<u>472</u>	<u>86</u>	<u>558</u>
Net book value			
At 31 December 2018	<u>126</u>	<u>53</u>	<u>179</u>
At 31 December 2017	<u>160</u>	<u>56</u>	<u>216</u>

10. Stocks

	2018 £000	2017 £000
Work in progress	188	211
Finished goods and goods for resale	5,526	5,387
	<u>5,714</u>	<u>5,598</u>

Stock recognised in cost of sales during the year as an expense was £17,611,000 (2017: £15,993,000).

A credit of £18,000 (2017: credit of £170,000) was recognised in cost of sales in part relating to the release of provisions in respect of previously impaired lines now disposed of.

SSS SUPER ALLOYS LIMITED

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

11. Debtors

	2018	2017
	£000	£000
Due after more than one year		
Deferred tax asset	166	97
	<u>166</u>	<u>97</u>
	2018	2017
	£000	£000
Due within one year		
Trade debtors	5,816	4,993
Amounts owed by group undertakings	2,285	2,285
Other debtors	37	122
Prepayments and accrued income	236	188
Deferred tax asset	221	158
	<u>8,595</u>	<u>7,746</u>

12. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Other loans	225	-
Asset backed loans	3,404	2,736
Trade creditors	3,348	3,055
Other taxation and social security	76	44
Other creditors	139	734
Accruals and deferred income	345	281
	<u>7,537</u>	<u>6,850</u>

Asset backed loans are secured by a fixed and floating charge over all company assets in particular over stock and book debts.

13. Creditors: Amounts falling due after more than one year

	2018	2017
	£000	£000
Other loans	<u>-</u>	<u>800</u>

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Loans

Analysis of the maturity of loans is given below:

	2018 £000	2017 £000
Amounts falling due within one year		
Other loans	225	-
Asset backed loans	3,404	2,736
Amounts falling due 1-2 years		
Other loans	-	800
	<u>3,629</u>	<u>3,536</u>

Asset backed loans of £3,404,000 are repayable on demand and are primarily against the company's debtor book and stock holdings. These loans are secured by a fixed and floating charge over all company assets. Included within asset backed loans is £438,000 which incur an interest rate of 2.75% over the 3 month LIBOR rate.

Other loans of £225,000 incur an interest rate of 12% per annum and are due for repayment on 6 April 2019.

15. Deferred taxation

	2018 £000	2017 £000
At 1 January 2017	255	-
Profit and loss account	132	255
At 31 December 2017	<u>387</u>	<u>255</u>

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	48	60
Tax losses carried forward	332	194
Short term timing differences	7	1
	<u>387</u>	<u>255</u>

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
100,000 (2017: 15,446,875) Ordinary shares of £1.00 each	100	15,447

During the year the directors passed a resolution to reduce the issued share capital from £15,447,000 to £100,000. The amount was released to the profit and loss reserve as being in excess of the company's requirements.

17. Contingent liabilities

The company is party to a company composite guarantee and debenture with its parent company and the Benbane Holdings Group, a group under common control, relating to group bank borrowings. At the balance sheet date the company's guarantee amounted to £975,000 (2017: £1,550,000).

18. Pension commitments

The pension cost represents contributions paid by the company to a defined contribution scheme and amounted to £59,000 (2017: £60,000). There were £5,000 (2017: £5,000) outstanding contributions at the end of the financial year.

19. Commitments under operating leases

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

	2018 £000	2017 £000
Not later than 1 year	128	68
Later than 1 year and not later than 5 years	510	272
Later than 5 years	-	136
	<u>638</u>	<u>476</u>

20. Related party transactions

The company has taken advantage of the FRS 102 section 33.1A exemption from disclosing transactions with wholly owned group companies.

During the year purchases and recharges of £438,000 (2017: £339,000) were made from and sales of £24,000 (2017: £Nil) were made to a company under common control. During the prior period amounts of £588,000 were owed to the Benbane Holdings Group, these were fully repaid during the year.

The directors consider there to be no key management personnel, other than the directors, who have authority and responsibility for planning, directing and controlling the activities of the group.

SSS SUPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

21. Controlling party

The immediate parent company is Tedstone Holdings Limited, a company registered in England and Wales. This is the smallest and largest group for which consolidated accounts are drawn up. The consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The company is ultimately controlled by A E Jones and N L Jones by virtue of their majority shareholdings.