

Company Registration No. 06464009 (England and Wales)

KAS METAL TRADING LTD
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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KAS METAL TRADING LTD

COMPANY INFORMATION

Director	K D Hook
Company number	06464009
Registered office	Unit J, Prestwich Industrial Estate Coal Pit Lane Atherton Manchester M46 0RY
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	Unit J, Prestwich Industrial Estate Coal Pit Lane Atherton Manchester M46 0RY
Bankers	HSBC Bank Plc 4 Hardman Square Manchester M3 3EB

KAS METAL TRADING LTD

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KAS METAL TRADING LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2020

The director presents the strategic report for the year ended 31 July 2020.

Fair review of the business

During the year the company continued to buy and sell industrial scrap metals. The company turnover decreased during the year which has resulted in a marginal decrease in profitability with the company recording an operating profit of £691,860 (2019: £713,517).

At the year end the company had shareholders' funds of £4,822,595 (2019: £4,447,671) including distributable profits of £4,822,495 (2019: £4,447,571). The company's current assets exceed its current liabilities by £4,739,601 (2019: £4,353,106).

The company did not cease any aspect of its trading in the year. The company continued during the year to build on its existing customer base, and expand its range of products and services progressing steadily with its planned expansion into new markets.

The director has assessed the main risks facing the company as being fluctuations in the currency markets and global economic uncertainties. The director believe that the quality of staff, products and services as well as its strong links with its customers will help mitigate these risks.

Principal risks and uncertainties

The company finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through bank borrowings.

The management objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the company's exposure to fluctuating interest rates when seeking borrowing; and
- Match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Where appropriate, funds are invested in sterling bank deposit accounts and borrowings are all obtained from standard bank loan accounts. As such, there is little price risk exposure.

Where appropriate, funds are held primarily in short-term variable rate deposit accounts. The director believe that this gives them flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

KAS METAL TRADING LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020


Other information and explanations

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the company's financial performance, though are not easily forecasted. To date, the company has experienced a reduction in revenues but due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The company has sufficient financial resources available and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The director therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

On behalf of the board



K D Hook

Director

25/1/21

KAS METAL TRADING LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 JULY 2020

The director presents his annual report and financial statements for the year ended 31 July 2020.

Principal activities

The principal activity of the company continued to be that of the buying and selling of industrial scrap metals.

Director

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

K D Hook

A K Scowcroft

P M Norris

(Resigned 9 November 2020)

(Resigned 31 July 2020)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £163,840. The director does not recommend payment of a final dividend.

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



K D Hook

Director

Date: 25 JANUARY 2021

KAS METAL TRADING LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

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.

KAS METAL TRADING LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KAS METAL TRADING LTD

Opinion

We have audited the financial statements of KAS Metal Trading Ltd (the 'company') for the year ended 31 July 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 FRS 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 July 2020 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 UK, including the FRC'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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

KAS METAL TRADING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KAS METAL TRADING LTD

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 and the director's report.

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 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 director

As explained more fully in the director's responsibilities statement, 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 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 company or to cease operations, or has no realistic alternative but to do so.

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: <http://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 him 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.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

25/1/21

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

KAS METAL TRADING LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Turnover	3	28,693,587	34,321,700
Cost of sales		(26,826,132)	(32,125,692)
Gross profit		1,867,455	2,196,008
Administrative expenses		(1,175,595)	(1,482,491)
Operating profit	4	691,860	713,517
Interest payable and similar expenses	7	(17,660)	(26,017)
Profit before taxation		674,200	687,500
Tax on profit	8	(135,436)	(138,233)
Profit for the financial year		538,764	549,267

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

KAS METAL TRADING LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Profit for the year	538,764	549,267
Other comprehensive income	-	-
Total comprehensive income for the year	<u>538,764</u>	<u>549,267</u>

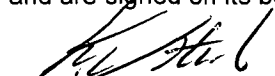
KAS METAL TRADING LTD

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		90,839		102,974
Current assets					
Stocks	11	1,247,379		1,188,982	
Debtors	12	4,963,929		4,080,042	
Cash at bank and in hand		820,058		697,133	
		<u>7,031,366</u>		<u>5,966,157</u>	
Creditors: amounts falling due within one year	13	<u>(2,291,765)</u>		<u>(1,613,051)</u>	
Net current assets			4,739,601		4,353,106
Total assets less current liabilities			<u>4,830,440</u>		<u>4,456,080</u>
Provisions for liabilities	15		(7,845)		(8,409)
Net assets			<u>4,822,595</u>		<u>4,447,671</u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves			4,822,495		4,447,571
Total equity			<u>4,822,595</u>		<u>4,447,671</u>

The financial statements were approved by the board of directors and authorised for issue on 25/1/21 and are signed on its behalf by:



K D Hook
Director

Company Registration No. 06464009

KAS METAL TRADING LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2018		100	4,083,258	4,083,358
Year ended 31 July 2019:				
Profit and total comprehensive income for the year		-	549,267	549,267
Dividends	9	-	(184,954)	(184,954)
Balance at 31 July 2019		100	4,447,571	4,447,671
Year ended 31 July 2020:				
Profit and total comprehensive income for the year		-	538,764	538,764
Dividends	9	-	(163,840)	(163,840)
Balance at 31 July 2020		100	4,822,495	4,822,595

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

KAS Metal Trading Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit J, Prestwich Industrial Estate, Coal Pit Lane, Atherton, Manchester, M46 0RY.

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 sterling, 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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of KAS Metal Holdings Limited. These consolidated financial statements are available from its registered office, Unit J Prestwich Industrial Estate, Coal Pit Lane, Atherton, Greater Manchester, United Kingdom, M46 0RY.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.2 Going concern

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the company's financial performance, though are not easily forecasted. To date, the company has experienced a reduction in revenues but due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The company has sufficient financial resources available and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The director therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

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.

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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25% straight line
Plant and equipment	33% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

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.

1.7 Cash at bank and in hand

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.

1.8 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 balance sheet 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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

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 payments 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.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the period the company received government grants in respect of the Coronavirus Job Retention Scheme (CRJS) of £31,032.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets

Consideration has been given to any indicators of impairment of the company's assets. In considering this the directors have used their judgement and have considered the residual value of the assets.

Stock

The carrying value of stock held for sale is assessed by management using judgement on current market conditions to estimate carrying value and any provisions required.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	8,276,602	9,109,973
Europe	4,053,595	5,762,970
Rest of World	16,363,390	19,448,757
	<u>28,693,587</u>	<u>34,321,700</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	9,500	9,000
Depreciation of owned tangible fixed assets	61,527	59,672
Profit on disposal of tangible fixed assets	(3,800)	-
	<u>77,227</u>	<u>128,744</u>

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Office and distribution	19	19

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	592,265	632,763
Social security costs	63,734	64,792
Pension costs	11,719	13,042
	<u>667,718</u>	<u>710,597</u>

6 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	129,161	125,208
Company pension contributions to defined contribution schemes	5,600	-
	<u>134,761</u>	<u>125,208</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 0).

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	17,660	26,017

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	136,000	132,698
Adjustments in respect of prior periods	-	19
Total current tax	<u>136,000</u>	<u>132,717</u>

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

8 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(564)	5,516
	<u> </u>	<u> </u>
Total tax charge	135,436	138,233
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Profit before taxation	674,200	687,500
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	128,098	130,625
Tax effect of expenses that are not deductible in determining taxable profit	8,944	10,838
Adjustments in respect of prior years	-	19
Group relief	(479)	(2,642)
Deferred tax adjustments in respect of prior years	(1,127)	(607)
	<u> </u>	<u> </u>
Taxation charge for the year	135,436	138,233
	<u> </u>	<u> </u>

9 Dividends

	2020 £	2019 £
Interim paid	163,840	184,954
	<u> </u>	<u> </u>

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 2019	70,294	369,731	126,866	15,037	581,928
Additions	-	38,663	10,729	-	49,392
At 31 July 2020	70,294	408,394	137,595	15,037	631,320
Depreciation and impairment					
At 1 August 2019	62,372	290,762	117,988	7,832	478,954
Depreciation charged in the year	3,553	48,573	5,642	3,759	61,527
At 31 July 2020	65,925	339,335	123,630	11,591	540,481
Carrying amount					
At 31 July 2020	4,369	69,059	13,965	3,446	90,839
At 31 July 2019	7,922	78,969	8,878	7,205	102,974

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,247,379	1,188,982

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	3,070,538	2,494,068
Corporation tax recoverable	18,138	18,138
Amounts owed by group undertakings	837,528	480,010
Other debtors	566,409	526,981
Prepayments and accrued income	471,316	560,845
	4,963,929	4,080,042

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	14	1,123,879	1,194
Trade creditors		970,339	1,414,462
Corporation tax		136,090	132,698
Other taxation and social security		25,899	17,463
Other creditors		2,945	4,671
Accruals and deferred income		32,613	42,563
		<u>2,291,765</u>	<u>1,613,051</u>

14 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	<u>1,123,879</u>	<u>1,194</u>
Payable within one year	<u>1,123,879</u>	<u>1,194</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets and undertakings of the group.

15 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	16	<u>7,845</u>	<u>8,409</u>

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	<u>7,845</u>	<u>8,409</u>

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

16 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 August 2019	8,409
Credit to profit or loss	(564)
Liability at 31 July 2020	<u>7,845</u>

17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>11,719</u>	<u>13,042</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
90 Ordinary shares of £1 each	90	90
10 B Ordinary shares of £1 each	10	10
	<u>100</u>	<u>100</u>

19 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
K D Hook - Loan	-	-	100,000	100,000
		<u>-</u>	<u>100,000</u>	<u>100,000</u>

The above loan was unsecured and was interest free, and will be repaid within 9 months of the year end.

KAS METAL TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	108,560	105,131
Between two and five years	439,113	445,538
In over five years	257,250	343,000
	<u>804,923</u>	<u>893,669</u>

21 Ultimate controlling party

The parent company is KAS Metal Holdings Limited, a company registered in England and Wales. The consolidated financial statements of the group may be obtained from KAS Metal Holdings Limited, at Unit J, Prestwich Industrial Estate, Coal Pit Lane, Atherton, Manchester M46 0RY.

The ultimate controlling party is K D Hook by virtue of his 100% shareholding in the parent company, KAS Metal Holdings Limited.