Financial Statements
Cobham Aluminium and Stainless Holdings Limited

For the year ended 31 December 2012

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Registered number: 7543335

Company Information

Directors	S Hussey (resigned 18 October 2012) R W Colburn B A King (appointed 18 October 2012)
Company secretary	M Hale
Registered number	7543335
Registered office	25 High Street Cobham Surrey KT11 3DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS

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Directors' report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity and business review

The principal activity of the group during the year was metal stockholding and the principal activity of this company was to act as a holding company

On 1 January 2012, the company acquired the entire share capital of Wilsons Limited

The directors are of the opinion that the result for the year can be improved upon

Various key performance indicators are used by the directors to monitor and compare the performance of the various businesses within the group The directors do not wish to reveal any detailed information as they believe this is commercially sensitive and could be prejudicial to the interests of the group

The ultimate parent company is privately held, as is the company, and the directors believe the requirement to publish private accounts is a violation of both the spirit and the law under European Union right to privacy legislation

Results and dividends

The profit for the year, after taxation, amounted to £978,993 (Period ended 31 December 2011 £775,996) The directors have not recommended a dividend (Period ended 31 December 2011 £nil)

Directors

The directors who served during the year were

S Hussey (appointed 23 March 2011 & resigned 18 October 2012)
R W Colburn
B A King (appointed 18 October 2012)

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

Directors' report

For the year ended 31 December 2012

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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Principal risks and uncertainties

The principal risks and uncertainties of the group are fluctuations in raw material prices, movements in exchange rates, changes in government legislation, costs of government regulation and the credit risk arising from trade debtors

Where appropriate the group has developed policies and procedures in order to monitor and control these risks

Employee consultation and disabled employees

Recruitment policies are designed to ensure equal opportunity of employment regardless of race or sex Appropriate consideration is given to disabled applicants in offering employment

Good communications and relations with employees are attempted, mainly by practices developed in each operating unit compatible with its own particular circumstances Senior management are kept informed of group developments in certain financial, commercial, strategic and personnel matters as needed, and are thereby enabled to inform and discuss with the employees as appropriate at the individual operating units

Political and charitable contributions

During the period, the group made charitable donations of £910 (2011 £310)

Provision 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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Directors' report

For the year ended 31 December 2012

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

BA King

B A King
Director

Date 25/9/2013

GrantThornton

Independent auditor's report to the member of Cobham Aluminium and Stainless Holdings Limited

We have audited the financial statements of Cobham Aluminium and Stainless Holdings Limited for the year ended 31 December 2012, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the group's and of the parent company's member 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 group's and of the parent company's member 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 group's and of the parent company's member for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www frc org uk/apb/scope/private cfm

Basis for qualified opinion on financial statements

Included in the stocks shown on the consolidated balance sheet is a stock provision, against specific stock lines, of £8,193,000 in order to ensure stock is valued at the lower of cost and net realisable value Subsequent to 31 December 2012, and prior to the approval of these financial statements, the group had sold some of these stock lines at a level in excess of their original cost and therefore stock has been understated by approximately £844,000 Accordingly, within the consolidated balance sheet at 31 December 2012, stocks held should be increased by approximately £844,000, the corporation tax liability should be increased by approximately £207,000 and profit for the year and retained earnings should be increased by £637,000

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

GrantThornton

Independent auditor's report to the member of Cobham Aluminium and Stainless Holdings Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

James Rogers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Reading
Date 25 September 2013

Consolidated profit and loss account

For the year ended 31 December 2012

	Note	31 December 2012 £	Period ended 31 December 2011 £
Turnover	1,2	**77,691,283**	44,932,819
Change in stocks of finished goods and work in progress		**1,772,612**	2,637,685
Raw materials and consumables		**(57,672,601)**	(34,833,722)
Other external charges		**(7,012,394)**	(3,984,942)
Staff costs		**(10,627,815)**	(6,424,906)
Depreciation and amortisation		**(1,425,895)**	(646,291)
Operating profit	3	**2,725,190**	1,680,643
Interest income		**4,018**	55
Interest expense and similar charges	6	**(887,549)**	(415,249)
Profit on ordinary activities before taxation		**1,841,659**	1,265,449
Tax on profit on ordinary activities	7	**(862,666)**	(489,453)
Profit for the financial year	21	**978,993**	775,996

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 10 to 26 form part of these financial statements

Cobham Aluminium and Stainless Holdings Limited
Registered number: 7543335

Consolidated balance sheet
As at 31 December 2012

	Note		2012		2011
		£	£	£	£
Fixed assets					
Intangible assets	8		**3,261,533**		3,455,010
Tangible assets	9		**2,040,363**		1,465,973
			5,301,896		4,920,983
Current assets					
Stocks	11	**25,335,737**		15,527,042	
Debtors	12	**15,198,567**		12,063,214	
Cash at bank		**4,249,275**		82,553	
		44,783,579		27,672,809	
Creditors: amounts falling due within one year	13	**(41,623,110)**		(28,813,159)	
Net current assets/(liabilities)			**3,160,469**		(1,140,350)
Total assets less current liabilities			**8,462,365**		3,780,633
Creditors: amounts falling due after more than one year	14		**(501,075)**		(344,300)
Provisions for liabilities					
Other provisions	16		**(706,301)**		(660,337)
Net assets			**7,254,989**		2,775,996
Capital and reserves					
Called up share capital	20		**5,500,000**		2,000,000
Profit and loss account	21		**1,754,989**		775,996
Shareholder's funds	22		**7,254,989**		2,775,996

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

B A King

B A King
Director

Date 25/9/2013

The notes on pages 10 to 26 form part of these financial statements

Cobham Aluminium and Stainless Holdings Limited
Registered number: 7543335

Company balance sheet
As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Investments	10		**21,128,751**		9,876,334
Current assets					
Debtors	12	**2,026,584**		61,064	
Cash at bank		**29,289**		23,859	
		2,055,873		84,923	
Creditors: amounts falling due within one year	13	**(18,588,272)**		(8,180,264)	
Net current liabilities			**(16,532,399)**		(8,095,341)
Net assets			**4,596,352**		1,780,993
Capital and reserves					
Called up share capital	20		**5,500,000**		2,000,000
Profit and loss account	21		**(903,648)**		(219,007)
Shareholder's funds	22		**4,596,352**		1,780,993

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

BA King

B A King
Director

Date 25/9/2013

The notes on pages 10 to 26 form part of these financial statements

Consolidated cash flow statement

For the year ended 31 December 2012

	Note	31 December 2012 £	Period ended 31 December 2011 £
Net cash flow from operating activities	23	**8,414,177**	6,896,009
Returns on investments and servicing of finance	24	**(883,531)**	(415,194)
Taxation	24	**(1,352,868)**	(808,335)
Capital expenditure and financial investment	24	**(703,340)**	(120,878)
Acquisitions and disposals	24	**(5,739,926)**	(9,823,845)
Cash outflow before financing		**(265,488)**	(4,272,243)
Financing	24	**4,432,210**	4,354,796
Increase in cash in the year		**4,166,722**	82,553

Reconciliation of Net Cash Flow to Movement in Net Debt

For the year ended 31 December 2012

	31 December 2012 £	Period ended 31 December 2011 £
Increase in cash in the year	**4,166,722**	82,553
Cash flow from increase in debt and lease financing	**(932,210)**	(2,354,796)
Change in net debt resulting from cash flows	**3,234,512**	(2,272,243)
New finance lease	-	(765,862)
Net debt acquired with acquisitions	-	(5,767,638)
Movement in net debt in the year	**3,234,512**	(8,805,743)
Net debt at 1 January 2012	**(8,831,492)**	(25,749)
Net debt at 31 December 2012	**(5,596,980)**	(8,831,492)

The notes on pages 10 to 26 form part of these financial statements

Notes to the financial statements
For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards

The principal activities of the group are set out below The directors have reviewed the accounting policies and consider that they are appropriate for the group

1.2 Going concern

The directors have considered forecasted results for the group, taking into account the ongoing support from its ultimate parent company, the business activities and the markets in which it operates, and the forecasts indicate that sufficient funds are available for the group to be able to continue in operational existence for the foreseeable future Accordingly, the financial statements continue to be prepared on the going concern basis

1 3 Consolidation

The consolidated financial statements include the financial statements of the parent company and its subsidiaries made up to the end of the financial period Profits and losses on intra group transactions are eliminated in full

On acquisition of a subsidiary its net assets acquired are consolidated at a fair value reflecting their condition at the date of acquisition All changes to those assets and liabilities, and the resulting gains and losses, that arise after the group has gained control of the subsidiary are credited and charged to the post-acquisition profit and loss account or the statement of recognised gains and losses as appropriate

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life of five years Provision is made for any impairment losses

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account in these financial statements

1.4 Turnover

Turnover shown in the profit and loss account represents the total invoice value of goods supplied during the period, exclusive of Value Added Tax

Turnover is recognised when all of the following criteria are met
- persuasive evidence of an arrangement exists,
- delivery has occurred or services have been rendered,
- the seller's price to the buyer is fixed and determinable, and
- collectability is reasonably assured

Notes to the financial statements
For the year ended 31 December 2012

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold Property	-	over the lease term
Plant, Equipment & Motor Vehicles	-	9 - 33%

1.6 Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment

1.7 Stocks

Stocks are valued at the lower of either cost or net realisable value after making due allowance for obsolete and slow-moving stocks

1.8 Operating leases

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

1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date which will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.10 Finance lease agreements

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies Future instalment under such leases, net of finance charges, are included within creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Notes to the financial statements
For the year ended 31 December 2012

1. Accounting policies (continued)

1.11 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling either at the rate of exchange ruling at the date of the transaction or the rate used to hedge the foreign currency transaction Exchange differences are taken into account in arriving at the operating profit

1.12 Pensions

The group operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the group The annual contributions are charges to the profit and loss account

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

1.14 Property dilapidations

Under certain operating leases for land and buildings, the group is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease The group charges amounts to profit and loss so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations Where repairs are made part way through the lease that will reduce the estimated costs of dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision

The dilapidation provision is presented on an undiscounted basis as the impact of the time value of money is not deemed material

Notes to the financial statements
For the year ended 31 December 2012

2. Turnover

The whole of the turnover is attributable to the principal activity of the group A geographical analysis of turnover is as follows

	31 December 2012 £	Period ended 31 December 2011 £
United Kingdom	**70,692,070**	41,407,732
Rest of European Union	**4,905,807**	2,802,056
Rest of world	**2,093,406**	723,031
	77,691,283	44,932,819

3. Operating profit

The operating profit is stated after charging/(crediting)

	31 December 2012 £	Period ended 31 December 2011 £
Amortisation - intangible fixed assets	**904,175**	355,156
Depreciation of tangible fixed assets		
- owned by the group	**381,898**	114,733
- held under finance leases	**139,825**	176,402
Auditors' remuneration - audit fees	**48,800**	28,500
Auditors' remuneration - taxation services	**7,500**	5,000
Operating lease rentals		
- plant and machinery	**109,039**	66,318
- land and buildings	**1,643,012**	966,681
Profit on disposal of fixed assets	**(20,789)**	(2,583)
Profit on foreign exchange transactions	**(15,667)**	-

Notes to the financial statements

For the year ended 31 December 2012

4. Staff costs

Staff costs, including directors remuneration, were as follows

	31 December 2012 £	Period ended 31 December 2011 £
Wages and salaries	**9,440,969**	5,226,137
Social security costs	**980,341**	525,867
Other pension costs	**206,505**	672,902
	10,627,815	6,424,906

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

	31 December 2012 No.	Period ended 31 December 2011 No
	343	272

5. Directors' remuneration

	31 December 2012 £	Period ended 31 December 2011 £
Emoluments	**25,862**	-

6. Interest expense and similar charges

	31 December 2012 £	Period ended 31 December 2011 £
On bank borrowings	**247,320**	201,036
On finance leases	**39,765**	31,103
On loans from parent undertaking	**600,464**	183,110
	887,549	415,249

7. Taxation

	31 December 2012 £	Period ended 31 December 2011 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	**873,509**	531,346
Adjustments in respect of prior periods	**(46,979)**	(255)
Total current tax	**826,530**	531,091
Deferred tax (see note 15)		
Origination and reversal of timing differences	**36,136**	(41,638)
Tax on profit on ordinary activities	**862,666**	489,453

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24 5% (2011 - 26%) The differences are explained below

	31 December 2012 £	Period ended 31 December 2011 £
Profit on ordinary activities before tax	**1,841,659**	1,265,449
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 5% (2011 - 26%)	**451,206**	329,017
Effects of.		
Expenses not deductible for tax purposes	**407,302**	135,428
Fixed asset timing differences	**16,070**	14,756
Adjustments to tax charge in respect of prior periods	**(46,979)**	(255)
Other timing differences	**(1,069)**	2,975
Utilisation of tax losses and other deductions	**-**	49,170
Current tax charge for the year/period (see note above)	**826,530**	531,091

Notes to the financial statements

For the year ended 31 December 2012

8. Intangible fixed assets

	Goodwill
Group	**£**
Cost	
At 1 January 2012	**3,810,166**
Additions	**710,698**
At 31 December 2012	**4,520,864**
Amortisation	
At 1 January 2012	**355,156**
Charge for the year	**904,175**
At 31 December 2012	**1,259,331**
Net book value	
At 31 December 2012	**3,261,533**
At 31 December 2011	3,455,010

On 1 January 2012, the company acquired the entire share capital of Wilsons Limited, giving rise to goodwill of £710,698

Notes to the financial statements
For the year ended 31 December 2012

9. Tangible fixed assets

Group	Plant, Equipment & Motor Vehicles £	Leasehold Property £	Total £
Cost			
At 1 January 2012	6,859,478	251,167	7,110,645
Additions	715,957	9,065	725,022
On acquisition of subsidiary	2,403,446	-	2,403,446
Disposals	(122,360)	-	(122,360)
At 31 December 2012	9,856,521	260,232	10,116,753
Depreciation			
At 1 January 2012	5,621,455	23,217	5,644,672
Charge for the year	518,202	3,521	521,723
On acquisition of subsidiary	2,031,462	-	2,031,462
On disposals	(121,467)	-	(121,467)
At 31 December 2012	8,049,652	26,738	8,076,390
Net book value			
At 31 December 2012	1,806,869	233,494	2,040,363
At 31 December 2011	1,238,023	227,950	1,465,973

Included within the net book value of £2,040,363 (2011 £1,465,973) is £236,646 (2011 £757,513) relating to assets held under finance leases

Notes to the financial statements

For the year ended 31 December 2012

10. Fixed asset investments

Company	**Investments in subsidiary undertakings £**
Cost or valuation	
At 1 January 2012	**9,876,334**
Additions	**11,252,417**
At 31 December 2012	**21,128,751**
Net book value	
At 31 December 2012	**21,128,751**
At 31 December 2011	9,876,334

The additions during the year relate to the acquisition of the entire share capital of Wilsons Limited, as outlined in note 29

The company has a 100% interest in the ordinary share capital of the following subsidiary companies, all of which are incorporated in England and Wales

Name	**Percentage Shareholding**	**Nature of Business**
Smiths Metal Centres Limited	100	Metal stockholding
Smiths Metal Centres Trustees Limited*	100	Dormant
Wilsons Limited	100	Metal stockholding

* Held indirectly by the company through Smiths Metal Centres Limited Subsequent to the year end, the company was liquidated

11. Stocks

	Group		**Company**	
	2012	2011	**2012**	2011
	£	£	**£**	£
Goods held for resale	**25,335,737**	15,527,042	**-**	-

Notes to the financial statements

For the year ended 31 December 2012

12. Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Trade debtors	**14,189,353**	11,250,215	**-**	-
Amounts owed by group undertakings	**-**	-	**2,026,204**	-
Other debtors	**8,735**	72,640	**-**	13,785
Prepayments and accrued income	**957,454**	659,257	**-**	-
Deferred tax asset (see note 15)	**43,025**	81,102	**380**	47,279
	15,198,567	12,063,214	**2,026,584**	61,064

13. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Bank borrowings	**9,089,114**	8,335,935	**-**	-
Obligations under finance leases	**256,066**	233,810	**-**	-
Trade creditors	**10,368,826**	8,145,457	**-**	128,154
Amounts owed to parent undertaking	**16,088,272**	5,552,110	**16,088,272**	5,552,110
Corporation tax	**165,637**	531,346	**-**	-
Social security and other taxes	**1,163,951**	1,066,801	**-**	-
Other creditors	**31,375**	-	**-**	-
Contingent purchase consideration	**2,500,000**	2,500,000	**2,500,000**	2,500,000
Accruals and deferred income	**1,959,869**	2,447,700	**-**	-
	41,623,110	28,813,159	**18,588,272**	8,180,264

The bank borrowings disclosed under creditors falling due within one year relate to the invoice discounting and inventory facilities provided by HSBC plc and are secured against the associated trade debtors balance and by fixed and floating charges against the assets of the company

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

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Obligations under finance leases	**501,075**	344,300	**-**	-

Notes to the financial statements
For the year ended 31 December 2012

14. Creditors:
Amounts falling due after more than one year (continued)

Obligations under finance leases, included above, are payable as follows

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Between one and five years	**501,075**	344,300	-	-

All amounts due under finance leases arrangements are secured on the assets acquired

15. Deferred tax asset

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
At beginning of year/period	**81,102**	-	**47,279**	-
(Charge for)/released during the year	**(36,136)**	41,638	**(46,899)**	47,279
On acquisition of subsidiaries	**(1,941)**	39,464	-	-
At end of year/period	**43,025**	81,102	**380**	47,279

The deferred tax asset is made up as follows

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Fixed asset timing differences	**(42,645)**	(33,823)	-	-
Tax losses carried forward	**(380)**	(47,279)	**(380)**	(47,279)
	(43,025)	(81,102)	**(380)**	(47,279)

Notes to the financial statements
For the year ended 31 December 2012

16. Provisions

Group	Dilapidation provision £
At 1 January 2012	660,337
Profit and loss movement arising during the period	45,964
At 31 December 2012	706,301

Dilapidation provisions relate to obligations under tenancy leases and is expected to be utilised over the remaining lease terms

The Company has no provisions

17. Capital commitments

There were no capital commitments as at 31 December 2012 or 31 December 2011

18. Pension commitments

The group operates a defined contribution scheme for the benefit of all enrolled UK employees The pension cost for the period represents contributions due by the group to the scheme and amounted to £168,688 (2011 £672,902) Contributions totalling £12,443 (2011 £11,440) were payable to the scheme at the balance sheet date

19. Operating lease commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	**2012**	2011
Group	£	£	£	£
Expiry date:				
Within 1 year	**56,220**	131,220	**-**	56,976
Between 2 and 5 years	**706,748**	71,708	**81,867**	63,056
After more than 5 years	**677,876**	722,060	**46,230**	-

Notes to the financial statements
For the year ended 31 December 2012

20. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
2,000,000 Ordinary shares of £1 each	**2,000,000**	2,000,000
3,500,000 Redeemable Preference shares of £1 each	**3,500,000**	-
	5,500,000	2,000,000

During the period, £3,500,000 of loan notes were converted into redeemable preference shares

The holders of the redeemable preference shares are not entitled to a dividend nor are they entitled to receive notice, attend or vote at general meetings of the company The redeemable preference shares may, at the option of the directors, be redeemed at par, at any time As such these shares have been classed as equity

On return of capital on liquidation or otherwise, holders of redeemable preference shares are entitled to receive the amount paid up on such shares This is in preference to any capital distribution made to the ordinary shareholders

21. Reserves

	Profit and loss account
Group	£
At 1 January 2012	775,996
Profit for the year	978,993
At 31 December 2012	1,754,989

	Profit and loss account
Company	£
At 1 January 2012	(219,007)
Loss for the year	(684,641)
At 31 December 2012	(903,648)

Notes to the financial statements
For the year ended 31 December 2012

22. Reconciliation of movement in shareholder's funds

Group	2012 £	2011 £
Opening shareholder's funds	**2,775,996**	-
Profit for the year/period	**978,993**	775,996
Shares issued during the year/period	**3,500,000**	2,000,000
Closing shareholder's funds	**7,254,989**	2,775,996

Company	2012 £	2011 £
Opening shareholder's funds	**1,780,993**	-
Loss for the year/period	**(684,641)**	(219,007)
Shares issued during the year/period	**3,500,000**	2,000,000
Closing shareholder's funds	**4,596,352**	1,780,993

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the year/period dealt with in the accounts of the company was £684,641 (2011 - £219,007)

23. Net cash flow from operating activities

	31 December 2012 £	Period ended 31 December 2011 £
Operating profit	**2,725,190**	1,680,643
Amortisation of intangible fixed assets	**904,175**	355,156
Depreciation of tangible fixed assets	**521,723**	291,135
Profit on disposal of tangible fixed assets	**(20,789)**	-
Increase in stocks	**(1,772,612)**	(2,637,685)
Decrease in debtors	**284,289**	2,345,112
Increase in creditors	**5,726,237**	4,826,935
Increase in provisions	**45,964**	34,713
Net cash inflow from operating activities	**8,414,177**	6,896,009

Notes to the financial statements
For the year ended 31 December 2012

24. Analysis of cash flows for headings netted in cash flow statement

	31 December 2012 £	Period ended 31 December 2011 £
Returns on investments and servicing of finance		
Interest received	**4,018**	55
Interest paid	**(847,784)**	(384,146)
Finance lease interest	**(39,765)**	(31,103)
Net cash outflow from returns on investments and servicing of finance	**(883,531)**	(415,194)

	31 December 2012 £	Period ended 31 December 2011 £
Taxation		
Corporation tax	**(1,352,868)**	(808,335)

	31 December 2012 £	Period ended 31 December 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(725,022)**	(120,878)
Sale of tangible fixed assets	**21,682**	-
Net cash outflow from capital expenditure	**(703,340)**	(120,878)

	31 December 2012 £	Period ended 31 December 2011 £
Acquisitions and disposals		
Purchase of business undertaking	**(11,252,417)**	(9,849,594)
Net cash held at bank acquired with acquisitions	**5,512,491**	25,749
Net cash outflow from acquisitions and disposals	**(5,739,926)**	(9,823,845)

Notes to the financial statements

For the year ended 31 December 2012

24. Analysis of cash flows for headings netted in cash flow statement (continued)

	31 December 2012 £	Period ended 31 December 2011 £
Financing		
Issue of ordinary shares	**3,500,000**	2,000,000
New secured loans	**753,179**	2,542,548
Capital element of finance lease repayments	**179,031**	(187,752)
Net cash inflow from financing	**4,432,210**	4,354,796

25. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	82,553	4,166,722	-	4,249,275
Debt:				
Finance leases	(578,110)	(179,031)	-	(757,141)
Debts due within one year	(8,335,935)	(753,179)	-	(9,089,114)
Net debt	(8,831,492)	3,234,512	-	(5,596,980)

26. Contingent liabilities

Other than additional consideration due in respect of the acquisition of Smiths Metal Centres Limited, contingent upon the future profitability of that company, there were no contingent liabilities as at 31 December 2012 or 31 December 2011

27. Ultimate parent company and controlling related party

The immediate and ultimate parent company and controlling party of this company is Henley Management Company, a company registered in the USA

The largest and smallest group of undertakings for which audited group accounts have been drawn up is that headed by Cobham Aluminium and Stainless Holdings Limited

Notes to the financial statements

For the year ended 31 December 2012

28. Related party transactions

The company has taken advantage of the exemption as provided by Financial Reporting Standard No 8 'Related Party Disclosures' not to disclose transactions with fellow wholly owned group companies included within the group financial statements

During the year, interest of £600,464 (2011 £183,110) was payable to Henley Management Company in respect of borrowings during the year A balance of £16,088,272 (2011 £5,552,110) remained outstanding at the year end

During the period, the group sold metal to the value of £101,936 (2011 £46,212), to fellow subsidiaries of Henley Management Company, of which £11,875 (2011 £12,545) was outstanding at the year end

Additionally the company purchased metal from fellow subsidiaries of Henley Management Company of £383,817 (2011 £279,634), of which £42,113 (2011 £33,059) was outstanding at the year end

29. Acquisitions

On 1 January 2012, the company acquired the entire share capital of Wilsons Limited for a total consideration of £11,252,417 The purchase of this entity has been accounted for by the acquisition method of accounting and the goodwill arising has been recognised in accordance with Financial Reporting Standard No 10 'Goodwill and Intangible Assets'

Acquisitions

	Vendors' book value £	Fair value to the group £
Assets and liabilities acquired		
Tangible fixed assets	**372,185**	**372,185**
Stocks	**8,036,083**	**8,036,083**
Debtors	**3,468,482**	**3,468,482**
Cash at bank	**5,512,491**	**5,512,491**
Other creditors and provisions	**(6,847,522)**	**(6,847,522)**
Net assets acquired	**10,541,719**	**10,541,719**
Satisfied by		
Consideration		
Cash		**11,252,417**
Goodwill arising on consolidation (see note 8)		**710,698**