Financial Statements
Cobham Aluminium & Stainless Holdings Limited

For the Year Ended 31 December 2013

Registered number: 7543335

Company Information

Directors	R W Colburn B A King
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 Winnersh Wokingham Berkshire RG41 5TS

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Directors' Report
For the Year Ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £392,095 (2012 - £978,993).

Directors

The directors who served during the year were:

R W Colburn
B A King

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 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.

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.

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 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 relevant audit information and to establish that the company and the group's auditor is aware of that information.

Directors' Report
For the Year Ended 31 December 2013

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: 24 September 2014

Group Strategic Report
For the Year Ended 31 December 2013

The directors are pleased to present their strategic report for the year ended 31 December 2013.

Principal activities

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.

Business review

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.

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

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

BAKing

B A King
Director

Date: 24 September 2014

Grant Thornton

Independent Auditor's Report to the Member of Cobham Aluminium & Stainless Holdings Limited

We have audited the financial statements of Cobham Aluminium & Stainless Holdings Limited for the year ended 31 December 2013, 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 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 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 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 Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

GrantThornton

Independent Auditor's Report to the Member of Cobham Aluminium & Stainless Holdings Limited

Basis for qualified opinion on financial statements

For the year ended 31 December 2012, included in stock shown on the 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 either cost or net realisable value. Subsequent to 31 December 2012 and prior to the approval of those financial statements, the group had sold some of these stock lines at a level in excess of their original cost and therefore stock had been understated by approximately £845,000. Accordingly, within the balance sheet at 31 December 2012, stocks held should have been increased by approximately £845,000, the corporation tax liability should have been increased by approximately £210,000 and retained earnings should have been increased by £635,000.

Since opening stock enters into the determination of the profit and loss account, the reversal of the above stock provision and associated corporation tax impact has occurred in the year and accordingly the profit for the year should be reduced by £635,000. We are therefore unable to state that the profit for the year reported in the profit and loss account gives a true and fair view of the company's result.

For the year ended 31 December 2013, included in stock shown on the balance sheet is a stock provision, against specific stock lines, of £8,387,000 in order to ensure stock is valued at the lower of either cost or net realisable value. Subsequent to 31 December 2013, and prior to the approval of these financial statements, the company had sold some of these stock lines at a level in excess of their original cost and therefore stock has been understated by approximately £1,980,000. Accordingly, within the balance sheet at 31 December 2013, stocks held should be increased by approximately£1,980,000, the corporation tax liability should be increased by approximately £460,000 and profit for the year and retained earnings should be increased by £1,520,000.

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 2013 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

Independent Auditor's Report to the Member of Cobham Aluminium & 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

25 September 2014

Consolidated Profit and Loss Account

For the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1,2	**74,747,320**	77,691,283
Change in stocks of finished goods and work in progress		**(6,504,925)**	1,772,612
Raw materials and consumables		**(47,050,753)**	(57,672,601)
Other external charges		**(7,390,405)**	(7,012,394)
Staff costs		**(10,612,997)**	(10,627,815)
Depreciation and amortisation		**(1,482,356)**	(1,425,895)
Operating profit	3	**1,705,884**	2,725,190
Interest income		**7,345**	4,018
Interest expense and similar charges	5	**(825,083)**	(887,549)
Profit on ordinary activities before taxation		**888,146**	1,841,659
Tax on profit on ordinary activities	6	**(496,051)**	(862,666)
Profit for the financial year	20	**392,095**	978,993

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 11 to 24 form part of these financial statements.

Consolidated Balance Sheet
As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	7		**2,357,360**		3,261,532
Tangible assets	8		**1,964,668**		2,040,363
			4,322,028		5,301,895
Current assets					
Stocks	10	**18,830,801**		25,335,737	
Debtors	11	**15,792,023**		15,198,570	
Cash at bank		**7,949,920**		4,249,275	
		42,572,744		44,783,582	
Creditors: amounts falling due within one year	12	**(18,885,232)**		(41,623,111)	
Net current assets			**23,687,512**		3,160,471
Total assets less current liabilities			**28,009,540**		8,462,366
Creditors: amounts falling due after more than one year	13		**(19,610,189)**		(501,075)
Provisions for liabilities					
Other provisions	15		**(752,268)**		(706,303)
Net assets			**7,647,083**		7,254,988
Capital and reserves					
Called up share capital	19		**5,500,000**		5,500,000
Profit and loss account	20		**2,147,083**		1,754,988
Shareholder's funds	21		**7,647,083**		7,254,988

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: 24 September 2014

The notes on pages 11 to 24 form part of these financial statements.

Company Balance Sheet
As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	9		**20,317,148**		21,128,751
Current assets					
Debtors	11	**2,088,133**		2,026,584	
Cash at bank		**7,553**		29,289	
		2,095,686		2,055,873	
Creditors: amounts falling due within one year	12	-		(18,588,272)	
Net current assets/(liabilities)			**2,095,686**		(16,532,399)
Total assets less current liabilities			**22,412,834**		4,596,352
Creditors: amounts falling due after more than one year	13		**(19,223,749)**		-
Net assets			**3,189,085**		4,596,352
Capital and reserves					
Called up share capital	19		**5,500,000**		5,500,000
Profit and loss account	20		**(2,310,915)**		(903,648)
Shareholder's funds	21		**3,189,085**		4,596,352

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: 24 September 2014

The notes on pages 11 to 24 form part of these financial statements.

Consolidated Cash Flow Statement

For the Year Ended 31 December 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	22	**10,245,735**	8,414,177
Returns on investments and servicing of finance	23	**(817,738)**	(883,531)
Taxation		**(518,636)**	(1,352,868)
Capital expenditure and financial investment	23	**(502,489)**	(703,340)
Acquisitions and disposals	23	**-**	(5,739,926)
Cash inflow/(outflow) before financing		**8,406,872**	(265,488)
Financing	23	**(4,706,227)**	4,432,210
Increase in cash in the year		**3,700,645**	4,166,722

Reconciliation of Net Cash Flow to Movement in Net Funds/(Debt)

For the Year Ended 31 December 2013

	2013 £	2012 £
Increase in cash in the year	**3,700,645**	4,166,722
Cash flow from increase in debt and lease financing	**4,706,227**	(753,179)
Movement in net debt in the year	**8,406,872**	3,413,543
Net debt at 1 January 2013	**(5,596,980)**	(9,010,523)
Net funds/(debt) at 31 December 2013	**2,809,892**	(5,596,980)

The notes on pages 11 to 24 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2013

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.

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.

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:

Plant, Equipment & Motor Vehicles	-	9 - 33%

Notes to the Financial Statements
For the Year Ended 31 December 2013

1. Accounting Policies (continued)

1.6 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.

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 pension costs charged against profits represent the amounts of contributions payable to the schemes in respect of the accounting period.

Notes to the Financial Statements
For the Year Ended 31 December 2013

1. Accounting Policies (continued)

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.

2. Turnover

In the opinion of the directors there is no substantial difference between the activities carried out by each of the trading units of the group.

A geographical analysis of turnover is as follows:

	2013	2012
	£	£
United Kingdom	**67,362,954**	70,692,070
Rest of European Union	**5,676,565**	4,905,807
Rest of world	**1,707,801**	2,093,406
	74,747,320	77,691,283

Notes to the Financial Statements
For the Year Ended 31 December 2013

3. Operating profit

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation - intangible fixed assets	**904,172**	904,175
Depreciation of tangible fixed assets:		
- owned by the group	**442,126**	381,898
- held under finance leases	**136,058**	139,825
Auditor's remuneration	**47,100**	48,800
Auditor's remuneration - non-audit	**7,700**	7,500
Operating lease rentals:		
- plant and machinery	**103,315**	109,039
- land and buildings	**1,648,783**	1,643,012
Profit on disposal of fixed assets	**(700)**	(20,789)
Difference on foreign exchange	**7,165**	(15,667)

During the year, no director received any emoluments (2012 - £NIL).

4. Staff costs

Staff costs, including directors remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	**9,408,594**	9,440,969
Social security costs	**994,249**	980,341
Other pension costs	**210,154**	206,505
	10,612,997	10,627,815

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

	2013	2012
	No.	No.
	328	343

5. Interest expense and similar charges

	2013	2012
	£	£
Bank interest on borrowings	**154,806**	247,320
Finance leases interest	**34,801**	39,765
Other interest to related undertakings	**635,476**	600,464
	825,083	887,549

Notes to the Financial Statements
For the Year Ended 31 December 2013

6. Taxation

	2013	2012
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	**743,282**	873,509
Adjustments in respect of prior periods	**(233,033)**	(46,979)
Total current tax	**510,249**	826,530
Deferred tax (see note 14)		
Origination and reversal of timing differences	**(14,198)**	36,136
Tax on profit on ordinary activities	**496,051**	862,666

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	**888,146**	1,841,659
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	**206,494**	451,206
Effects of:		
Expenses not deductible for tax purposes	**229,975**	407,302
Fixed asset timing differences	**34,142**	16,070
Adjustments to tax charge in respect of prior periods	**(233,033)**	(46,979)
Other timing differences	**1,843**	(1,069)
Unrelieved tax losses	**138,404**	-
Utilisation of tax losses and other deductions	**132,424**	-
Current tax charge for the year (see note above)	**510,249**	826,530

Notes to the Financial Statements
For the Year Ended 31 December 2013

7. Intangible fixed assets

	Goodwill
Group	**£**
Cost	
At 1 January 2013 and 31 December 2013	**4,520,863**
Amortisation	
At 1 January 2013	**1,259,331**
Charge for the year	**904,172**
At 31 December 2013	**2,163,503**
Net book value	
At 31 December 2013	**2,357,360**
At 31 December 2012	3,261,532

8. Tangible fixed assets

	Plant, Equipment & Motor Vehicles	Leasehold Property	Total
Group	**£**	**£**	**£**
Cost			
At 1 January 2013	**9,856,521**	**260,232**	**10,116,753**
Additions	**498,789**	**3,700**	**502,489**
Disposals	**(851,579)**	**-**	**(851,579)**
At 31 December 2013	**9,503,731**	**263,932**	**9,767,663**
Depreciation			
At 1 January 2013	**8,049,652**	**26,738**	**8,076,390**
Charge for the year	**574,036**	**4,148**	**578,184**
On disposals	**(851,579)**	**-**	**(851,579)**
At 31 December 2013	**7,772,109**	**30,886**	**7,802,995**
Net book value			
At 31 December 2013	**1,731,622**	**233,046**	**1,964,668**
At 31 December 2012	1,806,869	233,494	2,040,363

Included within the net book value of £1,964,668 (2012: £2,040,363) is £136,058 (2012: £236,646) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £136,058 (2012: £139,825).

Notes to the Financial Statements
For the Year Ended 31 December 2013

9. Investments

	Investments in subsidiary companies
Company	**£**
Cost or valuation	
At 1 January 2013 and 31 December 2013	**21,128,751**
Impairment	
At 1 January 2013	**-**
Charge for the year	**811,603**
At 31 December 2013	**811,603**
Net book value	
At 31 December 2013	**20,317,148**
At 31 December 2012	21,128,751

At the year end, the company had a 100% interest in the ordinary share capital of the following subsidiary companies (all of which are included in these consolidated financial statements):

Name	Percentage Shareholding	Nature of Business
Smiths Metal Centres Limited	100	Metal Stockholding
Wilsons Limited	100	Metal Stockholding

On 23 April 2013, Smiths Metal Centres Trustees Limited, a wholly owned subsidiary of Smiths Metal Centres Limited, was liquidated.

10. Stocks

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Goods held for resale	**18,830,801**	25,335,737	**-**	-

Notes to the Financial Statements
For the Year Ended 31 December 2013

11. Debtors

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Trade debtors	**14,949,318**	14,189,353	**-**	-
Amounts owed by group undertakings	**-**	-	**2,087,833**	2,026,204
Other debtors	**55,257**	8,738	**300**	-
Prepayments and accrued income	**730,225**	957,454	**-**	-
Deferred tax asset (see note 14)	**57,223**	43,025	**-**	380
	15,792,023	15,198,570	**2,088,133**	2,026,584

12. Creditors:
Amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Bank borrowings	**4,535,107**	9,089,114	**-**	-
Obligations under finance leases	**218,481**	256,066	**-**	-
Trade creditors	**10,380,688**	10,535,337	**-**	-
Amounts owed to parent undertaking	**-**	16,088,272	**-**	16,088,272
Corporation tax	**157,250**	165,637	**-**	-
Other taxation and social security	**1,663,433**	1,163,951	**-**	-
Other creditors	**34,506**	31,375	**-**	-
Contingent purchase consideration	**-**	2,500,000	**-**	2,500,000
Accruals and deferred income	**1,895,767**	1,793,359	**-**	-
	18,885,232	41,623,111	**-**	18,588,272

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 Group.

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

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Obligations under finance leases	**386,440**	501,075	**-**	-
Amounts owed to parent undertaking	**19,223,749**	-	**19,223,749**	-
	19,610,189	501,075	**19,223,749**	-

Notes to the Financial Statements

For the Year Ended 31 December 2013

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

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Repayable other than by instalments	**19,223,749**	-	**19,223,749**	-

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Between one and five years	**386,440**	501,075	**-**	-

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

The amounts owed to parent undertaking are unsecured and incur interest at the rate of 3% above the Bank of England base rate. The terms of the loan were updated during the year and are repayable on or before the 31 December 2021.

14. Deferred taxation

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
At beginning of year	**43,025**	81,102	**380**	47,279
Profit and loss account movement	**14,198**	(36,136)	**(380)**	(46,899)
Other movement	**-**	(1,941)	**-**	-
At end of year	**57,223**	43,025	**-**	380

The deferred tax asset is made up as follows:

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Fixed asset timing differences	**50,505**	42,645	**-**	-
Tax losses carried forward	**6,718**	380	**-**	380
	57,223	43,025	**-**	380

Notes to the Financial Statements
For the Year Ended 31 December 2013

15. Provisions

Group	Dilapidation provision £
At 1 January 2013	**706,303**
Profit and loss movement arising during the period	**45,965**
At 31 December 2013	**752,268**

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

The Company has no provisions.

16. Capital commitments

There were no capital commitments as at 31 December 2013 or 31 December 2012.

17. Pension commitments

The group operate defined contribution pension schemes for the benefit of all enrolled UK employees. The pension cost for the period represents contributions due by the group to the schemes in respect of the financial period and amounted to £210,136 (2012: £207,434).

18. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013	2012	**2013**	2012
Group	**£**	£	**£**	£
Expiry date:				
Within 1 year	**97,978**	56,220	**13,733**	-
Between 2 and 5 years	**1,172,451**	706,748	**72,082**	81,867
After more than 5 years	**161,876**	677,876	**46,230**	46,230

Notes to the Financial Statements

For the Year Ended 31 December 2013

19. Share capital

	2013	2012
	£	£
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**	3,500,000
	5,500,000	5,500,000

The shares rank pari-passu with the exception that the redeemable preference shares have no dividend rights. The redeemable preference shares can be redeemed at par at any time (at the option of the company) having given not less that three months previous notice in writing. The notice in writing should state the particular shares to be redeemed, the date fixed for redemption and the time and place at which the certificates for such shares are to be presented for redemption. As such, in accordance with Financial Reporting Standard No. 25 'Financial Instruments: disclosure and presentation', these shares have been presented as equity.

20. Reserves

	Profit and loss account
Group	**£**
At 1 January 2013	**1,754,988**
Profit for the financial year	**392,095**
At 31 December 2013	**2,147,083**

	Profit and loss account
Company	**£**
At 1 January 2013	**(903,648)**
Loss for the financial year	**(1,407,267)**
At 31 December 2013	**(2,310,915)**

Notes to the Financial Statements
For the Year Ended 31 December 2013

21. Reconciliation of movement in shareholder's funds

Group	**2013** £	2012 £
Opening shareholder's funds	**7,254,988**	2,775,995
Profit for the financial year	**392,095**	978,993
Shares issued during the year	**-**	3,500,000
Closing shareholder's funds	**7,647,083**	7,254,988

Company	**2013** £	2012 £
Opening shareholder's funds	**4,596,352**	1,780,993
Loss for the financial year	**(1,407,267)**	(684,641)
Shares issued during the year	**-**	3,500,000
Closing shareholder's funds	**3,189,085**	4,596,352

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 dealt with in the accounts of the company was £1,407,267 (2012 - £684,641).

22. Net cash flow from operating activities

	2013 £	2012 £
Operating profit	**1,705,884**	2,725,190
Amortisation of intangible fixed assets	**904,172**	904,175
Depreciation of tangible fixed assets	**578,184**	521,723
Profit on disposal of tangible fixed assets	**-**	(20,789)
Decrease/(increase) in stocks	**6,504,936**	(1,772,612)
(Increase)/decrease in debtors	**(579,258)**	284,289
Increase in creditors	**1,085,850**	5,726,237
Increase in provisions	**45,967**	45,964
Net cash inflow from operating activities	**10,245,735**	8,414,177

Notes to the Financial Statements

For the Year Ended 31 December 2013

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

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	**7,345**	4,018
Interest paid	**(790,282)**	(847,784)
Finance lease interest	**(34,801)**	(39,765)
Net cash outflow from returns on investments and servicing of finance	**(817,738)**	(883,531)

	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(502,489)**	(725,022)
Sale of tangible fixed assets	-	21,682
Net cash outflow from capital expenditure	**(502,489)**	(703,340)

	2013	2012
	£	£
Acquisitions and disposals		
Purchase of business undertaking	-	(11,252,417)
Net cash held at bank acquired with acquisitions	-	5,512,491
Net cash from acquisitions and disposals	-	(5,739,926)

	2013	2012
	£	£
Financing		
Issue of ordinary shares	-	3,500,000
New secured loans	-	753,179
Repayment of loans	**(4,554,007)**	-
Capital element of finance lease repayments	**(152,220)**	-
Capital element of finance lease repayment	-	179,031
Net cash (outflow)/inflow from financing	**(4,706,227)**	4,432,210

Notes to the Financial Statements
For the Year Ended 31 December 2013

24. Analysis of changes in net funds/(debt)

	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
	£	£	£	£
Cash at bank and in hand	4,249,275	3,700,645	-	7,949,920
Debt:				
Finance leases	(757,141)	152,220	-	(604,921)
Debts due within one year	(9,089,114)	4,554,007	-	(4,535,107)
Net (debt)/funds	(5,596,980)	8,406,872	-	2,809,892

25. Contingent liabilities

There were no contingent liabilities as at 31 December 2013. At 31 December 2012, 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.

26. 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 & Stainless Holdings Limited.

27. 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 £635,476 (2012: £600,464) was payable to Henley Management Company in respect of borrowings during the year. A balance of £19,223,749 (2012: £16,088,272) remained outstanding at the year end.

During the period, the group sold metal to the value of £335,152 (2012: £101,936), to fellow subsidiaries of Henley Management Company, of which £55,254 (2012: £11,875) was outstanding at the year end.

Additionally the company purchased metal from fellow subsidiaries of Henley Management Company of £797,988 (2012: £383,817), of which £59,240 (2012: £42,113) was outstanding at the year end.