

Financial Statements Metalfin Limited

For the year ended 31 December 2016



Registered number: 08026751

Metalfin Limited

Company Information

Directors	N Murdoch A Roberts
Company secretary	M Hale
Registered number	08026751
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

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 21

Directors' report

For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company during the year was metal stockholding.

The ultimate shareholder has requested that the directors include the following statement in the Director's report - the ultimate parent company is privately held, as is the company, and they believe the requirement to publish private accounts is a violation of both the spirit and law under European right to privacy legislation.

Directors

The directors who served during the year were:

B A King (resigned 30 June 2016)

N Murdoch

A Roberts (appointed 22 February 2016)

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report (continued)

For the year ended 31 December 2016

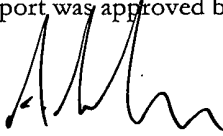
Auditor

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.

Small Companies Note

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

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

A handwritten signature in black ink, appearing to be 'A Roberts', written over the text 'This report was approved by the board and signed on its behalf.'

A Roberts
Director

Date: 28 September 2017



Independent auditor's report to the member of Metalfin Limited

We have audited the financial statements of Metalfin Limited for the year ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 1, 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 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/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.



Independent auditor's report to the member of Metalfin Limited

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the directors' report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors report.

Grant Thornton UK LLP

Steven Cenci FCA (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading

29 September 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		7,200,992	6,176,169
Change in stocks of finished goods and work in progress		373,206	56,318
Raw materials and consumables		(6,394,272)	(5,379,131)
Other external charges		(522,115)	(540,892)
Staff costs		(686,186)	(653,865)
Depreciation and amortisation		(28,774)	(23,233)
Operating loss		(57,149)	(364,634)
Interest expense and similar charges	7	(56,666)	(38,387)
Loss on ordinary activities before taxation		(113,815)	(403,021)
Tax on loss on ordinary activities	8	6,169	2,563
Loss for the financial year		(107,646)	(400,458)
Total comprehensive loss for the year		(107,646)	(400,458)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 21 form part of these financial statements.

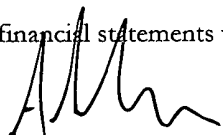
Statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	57,335	54,616
Current assets			
Stocks	11	1,691,175	1,317,969
Debtors: amounts falling due within one year	12	2,125,325	1,304,497
Cash at bank and in hand	13	91,819	25,294
		<u>3,908,319</u>	<u>2,647,760</u>
Creditors: amounts falling due within one year	14	<u>(3,927,152)</u>	<u>(1,159,206)</u>
Net current (liabilities)/assets		<u>(18,833)</u>	<u>1,488,554</u>
Total assets less current liabilities		<u>38,502</u>	<u>1,543,170</u>
Creditors: amounts falling due after more than one year	15	-	(1,408,072)
Provisions for liabilities			
Other provisions	18	<u>(45,324)</u>	<u>(34,274)</u>
		<u>(45,324)</u>	<u>(34,274)</u>
Net (liabilities)/assets		<u>(6,822)</u>	<u>100,824</u>
Capital and reserves			
Called up share capital		200,000	200,000
Profit and loss account		<u>(206,822)</u>	<u>(99,176)</u>
Shareholder's fund		<u>(6,822)</u>	<u>100,824</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


A Roberts
Director

Date: 28 September 2017

The notes on pages 8 to 21 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2016

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2015	200,000	301,282	501,282
Loss for the year	-	(400,458)	(400,458)
Total comprehensive loss for the year	-	(400,458)	(400,458)
At 1 January 2016	200,000	(99,176)	100,824
Loss for the year	-	(107,646)	(107,646)
Total comprehensive loss for the year	-	(107,646)	(107,646)
At 31 December 2016	200,000	(206,822)	(6,822)

The notes on pages 8 to 21 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. General information

The company is a private company limited by shares and is registered in England and Wales.

Registered number: 08026751

Registered office: 25 High Street, Cobham, Surrey, KT11 3DH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the parent undertaking, Amari Metals Limited, having carefully considered all pertinent matters are satisfied that the company, and group, is a going concern. The company participates in a group treasury function available to all subsidiary undertakings; the directors of this company accordingly continue to prepare the financial statements on the going concern basis.

2.3 Statement of cash flows

The directors have taken advantage of the exemption as provided by Financial Reporting Standard 102, section 1.12(b), from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated statement of cash flows.

2.4 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Amari Metals Limited as at 31 December 2016 and these financial statements may be obtained from Companies House.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.5 Turnover

Turnover shown in the income statement represents the total invoice value of goods supplied during the year, 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.

2.6 Intangible fixed assets and amortisation

Negative goodwill arising on the acquisition of a business, 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 released on a straight line basis over its economic life of 28 months.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Property	- over the lease term
Improvements	
Plant, Equipment & Motor Vehicles	- 10% to 50%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the income statement.

2.8 Stocks

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

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.12 Operating leases

Rentals under operating leases are charged to the income statement on a straight line basis over the lease term.

2.13 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest income is recognised in the income statement using the effective interest method.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.15 Pension costs

The company participates in a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions are charged to the income statement.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.17 Property dilapidations

Under certain operating leases for land and buildings, the company is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The company charges amounts to the income statement 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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.18 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Provisions

Provision is made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

Trade debtors

Management applies judgment in evaluating the recoverability of debtors. To the extent that the Directors believe debtors not to be recoverable they have been provided for in the financial statements.

Stock

Management applies judgment in evaluating stock for obsolescence. This judgment is based on management knowledge of the stock and customer demand, as well as stock age. At each balance sheet date, stocks are assessed for impairment and written down where appropriate.

4. Employees

The average monthly number of employees, including directors, during the year was 25 (2015: 23).

Notes to the financial statements

For the year ended 31 December 2016

5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>9,000</u>	<u>7,500</u>
Fees payable to the company's auditor in respect of taxation compliance services	<u>2,500</u>	<u>2,500</u>

6. Directors' remuneration

During the year, no director received any emoluments or benefits (2015: £Nil) for services provided to the company.

7. Interest expense and similar charges

	2016 £	2015 £
Interest on loans from group undertakings	<u>56,666</u>	<u>38,387</u>

8. Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	<u>(6,169)</u>	<u>(2,563)</u>
Total deferred tax	<u>(6,169)</u>	<u>(2,563)</u>
Taxation on loss on ordinary activities	<u>(6,169)</u>	<u>(2,563)</u>

Notes to the financial statements

For the year ended 31 December 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.0% (2015 - 20.25%)%. The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(113,815)	(403,021)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.0% (2015 - 20.25%)	(22,763)	(81,612)
Effects of:		
Expenses not deductible for tax purposes	4,048	1,779
Fixed asset timing differences	(7,826)	(3,370)
Difference in tax rates - opening deferred tax	(113)	1
Difference in tax rates - closing deferred tax	1,475	311
Losses surrendered under group relief election	19,010	80,328
Total tax charge for the year	(6,169)	(2,563)

Factors that may affect future tax charges

During the year existing UK corporation tax rate was 20%. Following subsequent budget announcements it is currently planned that there will be a further reduction in the main rate of corporation tax to 19% from April 2017 and 17% from April 2020.

Notes to the financial statements

For the year ended 31 December 2016

9. Intangible assets

	Negative goodwill £
Cost	
At 1 January 2016	(711,962)
At 31 December 2016	<u>(711,962)</u>
Amortisation	
At 1 January 2016	(711,962)
At 31 December 2016	<u>(711,962)</u>
Net book value	
At 31 December 2016	<u>-</u>
At 31 December 2015	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2016

10. Tangible fixed assets

	Leasehold Property Improvements £	Plant, Equipment & Motor vehicles £	Total £
Cost			
At 1 January 2016	9,269	226,841	236,110
Additions	-	26,182	26,182
Transfers intra group	-	89,397	89,397
At 31 December 2016	9,269	342,420	351,689
Depreciation			
At 1 January 2016	1,545	179,949	181,494
Charge for the year	1,159	27,615	28,774
Transfers intra group	-	84,086	84,086
At 31 December 2016	2,704	291,650	294,354
Net book value			
At 31 December 2016	6,565	50,770	57,335
At 31 December 2015	7,724	46,892	54,616

11. Stocks

	2016 £	2015 £
Goods held for resale	1,691,175	1,317,969

A provision of £68,452 (2015: £65,047) has been recognised against the stock balance due to slow-moving and obsolete stock. The net increase of the provision of £3,405 (2015: increase of £43,195) has been recognised in cost of sales.

Notes to the financial statements

For the year ended 31 December 2016

12. Debtors

	2016 £	2015 £
Trade debtors	1,762,502	1,143,048
Amounts owed by group undertakings	197,341	31,310
Prepayments and accrued income	156,818	127,644
Deferred taxation	8,664	2,495
	<u>2,125,325</u>	<u>1,304,497</u>

A provision of £2,746 (2015: £5,289) has been recognised against trade debtors. The net reversal of the provision of £2,543 (2015: increase of £2,445) has been recognised in other external charges.

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>91,819</u>	<u>25,294</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,122,523	924,902
Amounts owed to group undertakings	2,401,241	20,213
Other taxation and social security	233,910	84,182
Other creditors	582	-
Accruals and deferred income	168,896	129,909
	<u>3,927,152</u>	<u>1,159,206</u>

Amounts owed to group undertakings are repayable on demand. Interest has been charged on borrowings during the year at a rate of 2.50% above base rate as published by the Bank of England.

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

	2016 £	2015 £
Amounts owed to group undertakings	<u>-</u>	<u>1,408,072</u>

Notes to the financial statements

For the year ended 31 December 2016

16. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,959,843</u>	<u>1,174,360</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,693,242)</u>	<u>(2,483,096)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

17. Deferred taxation

	2016 £	2015 £
At 1 January 2016	2,495	(68)
Income statement movement during the year	<u>6,169</u>	<u>2,563</u>
At 31 December 2016	<u>8,664</u>	<u>2,495</u>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Fixed asset timing differences	<u>8,664</u>	<u>2,495</u>

Notes to the financial statements

For the year ended 31 December 2016

18 Provisions

	Dilapidation provision £
At 1 January 2016	34,274
Income statement movement during the year	11,050
At 31 December 2016	45,324

The dilapidation provision represents obligations under a tenancy lease and is expected to be utilised over the remaining lease term.

19. Capital commitments

There were no capital commitments as at 31 December 2016 or at 31 December 2015.

20. Pension commitments

The company participates in a defined contribution pension scheme for the benefit of all enrolled UK employees. The pension cost for the year represents contributions due by the company to the scheme in respect of the financial year and amounted to £35,316 (2015: £23,874).

Notes to the financial statements

For the year ended 31 December 2016

21. Operating lease commitments

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Within 1 year	280,000	280,000
Between 2 and 5 years	1,120,000	1,120,000
After more than 5 years	840,000	1,120,000
	<u>2,240,000</u>	<u>2,520,000</u>
	2016 £	2015 £
Other		
Within 1 year	4,708	-
Between 2 and 5 years	779	-
	<u>5,487</u>	<u>-</u>

22. Contingent liabilities

There are no contingent liabilities at 31 December 2016 or at 31 December 2015.

23. Related party transactions

As at 31 December 2016 and 31 December 2015 the directors are of the opinion that no material related party transactions occurred which require disclosure in the financial statements.

24. Ultimate parent undertaking and controlling party

Effective 31 December 2016, Amari UK Holdings Inc. became the controlling party and ultimate parent company. Amari UK Holdings Inc. is registered in the USA.

The largest and smallest group of which the company is a member and for which group consolidated financial statements are drawn up is headed by Amari Metals Limited, the immediate parent company. Copies of these financial statements are available from Companies House.

The registered office of the immediate parent company is the same as the address of the company as disclosed in note 1 of the accounts.