
METALFIN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



METALFIN LIMITED

COMPANY INFORMATION

Directors	N Murdoch A Roberts
Company secretary	M Hale
Registered number	08026751
Registered office	Parkway House Unit 6 Parkway Industrial Estate Pacific Avenue Wednesbury West Midlands England WS10 7WP
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

METALFIN LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 21

METALFIN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activity

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

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

Directors

The directors who served during the year were:

N Murdoch
A Roberts

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, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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 and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The company participates in a group treasury function available to the parent and all companies in the group; the directors of this company accordingly continue to prepare the financial statements on the going concern basis.

METALFIN LIMITED

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

Qualifying third party indemnity provisions

The company has maintained directors' and officers' liability insurance in respect of its directors.

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 auditors are 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 auditors are aware of that information.

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 Roberts
Director

Date: 26th November 2019



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF METALFIN LIMITED

Opinion

We have audited the financial statements of Metalfin Limited (the 'company') for the year ended 31 December 2018, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF METALFIN LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF METALFIN LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Mark Bishop FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Reading

Date: 26 November 2019

METALFIN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover		5,526,619	7,030,372
Change in stocks of finished goods and work in progress		(438,429)	(33,938)
Raw materials and consumables		(4,124,626)	(5,679,660)
Other external charges		(854,328)	(823,013)
Staff costs		(499,168)	(692,303)
Depreciation and amortisation		(20,259)	(36,350)
Operating loss		(410,191)	(234,892)
Interest expense and similar charges	7	(71,574)	(63,025)
Loss on ordinary activities before taxation		(481,765)	(297,917)
Tax on loss on ordinary activities	8	(10,469)	1,805
Loss for the financial year		(492,234)	(296,112)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 21 form part of these financial statements.

METALFIN LIMITED
REGISTERED NUMBER:08026751

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	40,225	45,485
Current assets			
Stocks	10	1,218,808	1,657,237
Debtors: amounts falling due within one year	11	1,225,811	1,520,625
Cash at bank and in hand	12	-	157,658
		<u>2,444,619</u>	<u>3,335,520</u>
Creditors: amounts falling due within one year	13	(3,212,588)	(3,627,565)
Net current liabilities		<u>(767,969)</u>	<u>(292,045)</u>
Total assets less current liabilities		<u>(727,744)</u>	<u>(246,560)</u>
Provisions for liabilities			
Other provisions	15	(67,424)	(56,374)
Net liabilities		<u><u>(795,168)</u></u>	<u><u>(302,934)</u></u>
Capital and reserves			
Called up share capital		200,000	200,000
Profit and loss account		(995,168)	(502,934)
Shareholder's fund		<u><u>(795,168)</u></u>	<u><u>(302,934)</u></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: 26th November 2019

The notes on pages 9 to 21 form part of these financial statements.

METALFIN LIMITED

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

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	200,000	(206,822)	(6,822)
Loss for the year	-	(296,112)	(296,112)
Total comprehensive loss for the year	-	(296,112)	(296,112)
At 1 January 2018	200,000	(502,934)	(302,934)
Loss for the year	-	(492,234)	(492,234)
Total comprehensive loss for the year	-	(492,234)	(492,234)
At 31 December 2018	200,000	(995,168)	(795,168)

The notes on pages 9 to 21 form part of these financial statements.

METALFIN LIMITED

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

1. General information

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

Registered number: 08026751

Registered office: Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, England, WS10 7WP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 judgement 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 and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The company participates in a group treasury function available to the parent and all companies in the group; 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 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 the risks and rewards of ownership have been transferred after all 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.

METALFIN LIMITED

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

2. Accounting policies (continued)

2.5 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 Improvements	- 12.5%
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.

2.6 Stocks

Stocks are valued at the lower of either cost or net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a weighted average basis.

2.7 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.

2.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 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.

METALFIN LIMITED

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

2. Accounting policies (continued)

2.10 Operating leases

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

2.11 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.

2.12 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.

2.13 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.

METALFIN LIMITED

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

2. Accounting policies (continued)

2.14 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 debtors and creditors, 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 debtors and creditors, 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 creditors or debtors, 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.

2.15 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.

METALFIN LIMITED

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

2. Accounting policies (continued)

2.16 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.

METALFIN LIMITED

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

3. Judgements 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 judgements and estimates have been made include:

3.1 Critical judgements in applying the group's accounting policies

Trade debtors

Management applies judgement in evaluating the recoverability of debtors. After taking into account the insurance policy in effect of these debtors full provision is made for all debts that the company, acting prudently, feel that the probability of recovery is low, subject to a line-by-line review on an ongoing basis. To the extent that the directors believe debtors not to be recoverable they have been provided for in the financial statements.

Stock

Management applies judgement in evaluating stock for obsolescence. This judgement is based on management knowledge of the stock over the long term and customer demand, as well as stock age. At each statement of financial position date, stocks are assessed for impairment and written down where appropriate.

3.2 Key accounting estimates and assumptions

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. Dilapidation provisions have been estimated using historical costs and lease exit rates, the provisions are built up over the term of the lease and average lease term to expiry.

4. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>16,400</u>	<u>7,650</u>
Fees payable to the company's auditor in respect of:		
Taxation compliance services	2,580	2,500
Other accounting services	<u>1,500</u>	<u>1,500</u>

5. Employees

The average monthly number of employees, including directors, during the year was 19 (2017 - 24).

METALFIN LIMITED

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

6. Directors' remuneration

	2018	2017
	£	£
Remuneration	11,934	10,615
Other pension costs	576	570
	12,510	11,185

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

7. Interest expense and similar charges

	2018	2017
	£	£
Interest on loans from group companies	71,574	63,025

METALFIN LIMITED

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

8. Taxation

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	10,469	(1,805)
Total deferred tax	<u>10,469</u>	<u>(1,805)</u>
 Taxation on profit/(loss) on ordinary activities	 <u>10,469</u>	 <u>(1,805)</u>

Factors affecting tax charge for the year

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

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(481,765)</u>	<u>(297,917)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(91,535)	(57,349)
Effects of:		
Expenses not deductible for tax purposes	28	86
Other timing differences	(35)	238
Losses surrendered under group relief election	91,834	55,220
Unrecoverable deferred tax asset	10,177	-
Total tax charge for the year	<u>10,469</u>	<u>(1,805)</u>

Factors that may affect future tax charges

The UK corporation tax rate decreased from 20% to 19% from April 2017, and a further reduction to 17% in April 2020 is currently planned.

METALFIN LIMITED

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

9. Tangible fixed assets

	Leasehold Property Improvements £	Plant, Equipment & Motor vehicles £	Total £
Cost			
At 1 January 2018	9,269	240,285	249,554
Additions	-	14,999	14,999
Transfers intra group	-	50	50
At 31 December 2018	<u>9,269</u>	<u>255,334</u>	<u>264,603</u>
Depreciation			
At 1 January 2018	3,863	200,206	204,069
Charge for the year	1,159	19,100	20,259
Transfers intra group	-	50	50
At 31 December 2018	<u>5,022</u>	<u>219,356</u>	<u>224,378</u>
Net book value			
At 31 December 2018	<u>4,247</u>	<u>35,978</u>	<u>40,225</u>
At 31 December 2017	<u>5,406</u>	<u>40,079</u>	<u>45,485</u>

10. Stocks

	2018 £	2017 £
Goods held for resale	<u>1,218,808</u>	<u>1,657,237</u>

A provision of £91,037 (2017: £79,452) has been recognised against the stock balance due to slow-moving and obsolete stock. The net increase of the provision of £11,585 (2017: increase of £11,000) has been recognised in cost of sales.

METALFIN LIMITED

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

11. Debtors

	2018 £	2017 £
Trade debtors	999,532	1,193,310
Amounts owed by group undertakings	91,120	154,113
Other debtors	19,255	23,185
Prepayments and accrued income	115,904	139,548
Deferred taxation	-	10,469
	<u>1,225,811</u>	<u>1,520,625</u>

A provision of £5,000 (2017: £Nil) has been recognised against trade debtors. The net increase of the provision of £5,000 (2017: reversal of £2,746) has been recognised in other external charges.

12. Cash

	2018 £	2017 £
Cash at bank and in hand	-	157,658
Less: bank overdrafts	(43,205)	-
	<u>(43,205)</u>	<u>157,658</u>

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	43,205	-
Trade creditors	784,460	685,691
Amounts owed to group undertakings	2,067,100	2,494,262
Other taxation and social security	43,343	-
Other creditors	-	122,946
Accruals and deferred income	274,480	324,666
	<u>3,212,588</u>	<u>3,627,565</u>

The amounts owed to group undertakings are unsecured and incur interest at a rate of 2.50% above the Bank of England base rate. The balance due is repayable on demand.

METALFIN LIMITED

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

14. Deferred taxation

	2018 £	2017 £
At beginning of year	10,469	8,664
Income statement movement during the year	(10,469)	1,805
At end of year	-	10,469

The deferred tax asset is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	-	10,469

15. Provisions

	Dilapidation provision £
At 1 January 2018	56,374
Income statement movement during the year	11,050
At 31 December 2018	67,424

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

16. Capital commitments

There were no capital commitments as at 31 December 2018 or at 31 December 2017.

17. 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 £25,355 (2017: £32,114). The amounts outstanding at the year end were £Nil (2017: £Nil).

METALFIN LIMITED

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

18. Operating lease commitments

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

	2018 £	2017 £
Land and buildings		
Within one year	280,000	280,000
Between two and five years	1,120,000	1,120,000
After more than five years	280,000	560,000
	<u>1,680,000</u>	<u>1,960,000</u>
	2018 £	2017 £
Other		
Within one year	4,403	4,438
Between two and five years	8,073	12,476
	<u>12,476</u>	<u>16,914</u>

19. Contingent liabilities

During the year the company was party to a group banking facility, including a cross guarantee, which has been advanced to the group of companies headed by Amari Metals Limited. Neither the group nor the company have pledged assets as security for this facility.

The contingent liability under this arrangement, being the aggregate bank borrowings of the group, at 31 December 2018 and 31 December 2017 was £Nil.

There are no other contingent liabilities at 31 December 2018 or at 31 December 2017.

20. Related party transactions

During the year the company has made payments to companies connected to certain directors of Britannia Metals Holdings, Ltd. in respect of leases of £280,000 (2017: £280,000).

METALFIN LIMITED

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

21. Ultimate parent undertaking and controlling party

The ultimate parent company is Britannia Metals Holdings, Ltd, a company 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 to the financial statements.