

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018
FOR
AVON SPECIALTY METALS LIMITED

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FOR THE YEAR ENDED 30 JUNE 2018

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AVON SPECIALTY METALS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018

DIRECTORS:

P J Brewer
S D Cutler
R Lewis
S P Munnoch
W Reid

REGISTERED OFFICE:

Ashville Road
Gloucester
Gloucestershire
GL2 5DA

REGISTERED NUMBER:

08165136 (England and Wales)

SENIOR STATUTORY AUDITOR:

Lee Paris FCA

AUDITORS:

The Paris Partnership LLP
Chartered Accountants and
Statutory Auditors
Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their strategic report for the year ended 30 June 2018.

REVIEW OF BUSINESS

The Profit & Loss account is set out on Page 7 and shows the profit for the period.

The directors consider the state of the company's affairs to be satisfactory. The directors believe the company is still performing well in the current financial year and the directors are hopeful that the company will continue to improve in the future.

Key performance indicators used by the company are:

Turnover - £21.44m (2017: £20.77m)
Gross Profit - £2.64m (2017: £2.48m)
Operating Profit - £0.85m (2017: £0.68m)
Net profit - £0.64m (2017: £0.46m).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business relate to the general state of the industrial economy in the UK and in those countries to which the company exports and the growth of the company's key markets, the continuity of supply of the key metals used in the business, the financial health of the company's main customers and the development of metal prices.

Financial instruments of significance to the Company comprise primary financial instruments (mainly cash, borrowings, debtors and creditors).

The main financial risks arising from the Company's activities are credit risk, market risk (metal prices and foreign exchange) and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The Company's policy in respect of credit risk is to mitigate the risk of loss by adhering to credit control procedures including the use of credit limits and credit insurance.

Exposures to metal price movements are restricted by the imposition of trading position limits agreed by the board of directors. The company mitigates its foreign exchange risk by entering into forward currency contracts.

Liquidity risk is managed by planning for future funding requirements to ensure adequate facilities are available.

ON BEHALF OF THE BOARD:

W Reid - Director

3 October 2018

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report with the financial statements of the company for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of merchandising of non-ferrous metals.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

P J Brewer
S D Cutler
R Lewis
S P Munnoch
W Reid

Other changes in directors holding office are as follows:

J W Verdon - resigned 15 March 2018

EMPLOYEES

The Board recognises that a fundamental key to their success is the ability to develop a strong and highly motivated workforce if it is to achieve its goals. To this extent it is investing in several areas to improve the working environment and enable staff to be more productive and efficient.

The Company thanks its entire staff for the enthusiasm, dedication and efforts made over the past year.

ENVIRONMENTAL CONSIDERATIONS

The Company recognises its responsibility in terms of protecting the environment for the future. It is committed to the principles of sustainability within its own operations and it seeks to improve the performance, safety and the environmental profile of both its range of products and its manufacturing facilities.

The Company continuously reviews its health and safety performance to ensure that it complies with the latest regulations and provides a safe working environment for all employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2018**

AUDITORS

The auditors, The Paris Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

W Reid - Director

3 October 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AVON SPECIALTY METALS LIMITED

Opinion

We have audited the financial statements of Avon Specialty Metals Limited (the 'company') for the year ended 30 June 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AVON SPECIALTY METALS LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lee Paris FCA (Senior Statutory Auditor)
for and on behalf of The Paris Partnership LLP
Chartered Accountants and
Statutory Auditors
Russell House
140 High Street
Edgware
Middlesex
HA8 7LW

3 October 2018

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 £	2017 £
TURNOVER	3	21,442,908	20,771,508
Cost of sales		<u>(18,801,304)</u>	<u>(18,288,836)</u>
GROSS PROFIT		2,641,604	2,482,672
Administrative expenses		<u>(1,793,897)</u>	<u>(1,797,928)</u>
OPERATING PROFIT	5	847,707	684,744
Interest receivable and similar income		<u>623</u>	<u>-</u>
		848,330	684,744
Interest payable and similar expenses	6	<u>(207,101)</u>	<u>(225,074)</u>
PROFIT BEFORE TAXATION		641,229	459,670
Tax on profit	7	<u>(116,587)</u>	<u>(74,895)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>524,642</u>	<u>384,775</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		524,642	384,775
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>524,642</u>	<u>384,775</u>

AVON SPECIALTY METALS LIMITED (REGISTERED NUMBER: 08165136)**STATEMENT OF FINANCIAL POSITION****30 JUNE 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	8	518,612	533,913
CURRENT ASSETS			
Stocks	9	4,635,693	5,850,961
Debtors	10	5,479,682	6,373,262
Cash at bank and in hand		785	281,187
		10,116,160	12,505,410
CREDITORS			
Amounts falling due within one year	11	(9,398,783)	(12,329,138)
NET CURRENT ASSETS		717,377	176,272
TOTAL ASSETS LESS CURRENT LIABILITIES		1,235,989	710,185
PROVISIONS FOR LIABILITIES	15	(13,931)	(12,769)
NET ASSETS		1,222,058	697,416
CAPITAL AND RESERVES			
Called up share capital	16	133	133
Retained earnings	17	1,221,925	697,283
SHAREHOLDERS' FUNDS		1,222,058	697,416

The financial statements were approved by the Board of Directors on 3 October 2018 and were signed on its behalf by:

W Reid - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2016	133	312,508	312,641
Changes in equity			
Total comprehensive income	-	384,775	384,775
Balance at 30 June 2017	133	697,283	697,416
Changes in equity			
Total comprehensive income	-	524,642	524,642
Balance at 30 June 2018	133	1,221,925	1,222,058

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

		2018 £	2017 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	4,016,630	(3,329,268)
Interest paid		(207,101)	(225,074)
Tax paid		(40,000)	(40,000)
Net cash from operating activities		<u>3,769,529</u>	<u>(3,594,342)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(157,447)	(175,144)
Sale of tangible fixed assets		-	7,979
Net cash from investing activities		<u>(157,447)</u>	<u>(167,165)</u>
Increase/(decrease) in cash and cash equivalents		<u>3,612,082</u>	<u>(3,761,507)</u>
Cash and cash equivalents at beginning of year	2	(8,029,966)	(4,268,459)
Cash and cash equivalents at end of year	2	<u>(4,417,884)</u>	<u>(8,029,966)</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	641,229	459,670
Depreciation charges	172,749	173,555
(Decrease)/Increase in Group balances	(25,713)	(525,923)
Finance costs	207,101	225,074
Finance income	(623)	-
	994,743	332,376
Decrease/(increase) in stocks	1,215,268	(1,451,844)
Decrease/(increase) in trade and other debtors	877,765	(2,277,679)
Increase in trade and other creditors	928,854	67,879
Cash generated from operations	4,016,630	(3,329,268)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 June 2018

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	785	281,187
Bank overdrafts	(4,418,669)	(8,311,153)
	(4,417,884)	(8,029,966)

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	281,187	-
Bank overdrafts	(8,311,153)	(4,268,459)
	(8,029,966)	(4,268,459)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. STATUTORY INFORMATION

Avon Specialty Metals Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgement:

Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 9)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Turnover represents net invoiced sales of goods supplied, excluding value added tax. Sales of goods are recognised when goods are delivered and the risks and rewards of ownership have passed to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and 'Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the company's Statement of Financial Position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Monetary amounts

The financial statement are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest pound.

Interest Payable

Interest payable is charged to the profit and loss account on an accruals basis.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction and where material are subsequently measured at amortised cost using the effective interest method, less any impairment.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and where material the changes in fair value are recognised in the Statement of Total Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair value cannot be measured reliably are measured at cost less impairment

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the debt instrument to the net carrying amount on initial recognition

Impairment of financial assets

Financial assets, other than those held at fair value are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the Statement of Total Comprehensive Income

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES - continued

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity

Basic financial liabilities

Basic financial liabilities, including trade and other payables and loans from company undertakings that are classified as debt are initially measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at the market rate of interest .

Trade creditors are obligations to pay for goods or services that have been acquired that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if a payment is due within one year or less. If not, they are present as non current liabilities. Short term creditors are initially recognised at transaction price and where material are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less.

Equity instruments

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

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

No geographical analysis is provided on the grounds that this would be prejudicial to the company.

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	576,948	744,416
Social security costs	66,755	-
Other pension costs	42,767	-
	<u>686,470</u>	<u>744,416</u>

The average number of employees during the year was as follows:

	2018	2017
Management	3	3
Selling	2	2
Production	13	14
	<u>18</u>	<u>19</u>
	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	172,749	173,555
Auditors' remuneration	15,000	15,000
Foreign exchange differences	54,845	145,208

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	115,101	131,685
Other interest	92,000	93,389
	207,101	225,074

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	120,804	87,634
Under/Over Provision prior years	(5,379)	-
Total current tax	115,425	87,634
Deferred tax	1,162	(12,739)
Tax on profit	116,587	74,895

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	641,229	459,670
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	121,834	90,785
Effects of:		
Expenses not deductible for tax purposes	(846)	564
Capital allowances in excess of depreciation	(184)	(3,715)
Adjustments to tax charge in respect of previous periods	(5,379)	-
Deferred tax	1,162	(12,739)
Total tax charge	116,587	74,895

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018**

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 July 2017	26,078	832,946	859,024
Additions	-	157,448	157,448
At 30 June 2018	<u>26,078</u>	<u>990,394</u>	<u>1,016,472</u>
DEPRECIATION			
At 1 July 2017	5,132	319,979	325,111
Charge for year	5,145	167,604	172,749
At 30 June 2018	<u>10,277</u>	<u>487,583</u>	<u>497,860</u>
NET BOOK VALUE			
At 30 June 2018	<u>15,801</u>	<u>502,811</u>	<u>518,612</u>
At 30 June 2017	<u>20,946</u>	<u>512,967</u>	<u>533,913</u>

9. STOCKS

	2018 £	2017 £
Stocks	<u>4,635,693</u>	<u>5,850,961</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	4,987,746	5,963,634
Other debtors	16	2,756
Tax	-	15,815
VAT	204,688	391,057
Prepayments	287,232	-
	<u>5,479,682</u>	<u>6,373,262</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 12)	4,418,669	8,311,153
Trade creditors	2,136,063	1,275,721
Amounts owed to group undertakings	2,451,033	2,476,746
Tax	106,622	47,634
Other creditors	1,373	-
Accrued expenses	285,023	217,884
	<u>9,398,783</u>	<u>12,329,138</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>4,418,669</u>	<u>8,311,153</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

13. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	<u>4,418,669</u>	<u>8,311,153</u>

The bank overdraft is secured by a debenture over the assets of the company and the group.

14. FINANCIAL INSTRUMENTS

Carrying amount of financial assets

	2018	2017
	£	£
Debt instruments measured at amortised cost	<u>5,192,450</u>	<u>6,373,262</u>

Carrying amount of financial liabilities

	2018	2017
	£	£
Measured at amortised cost	<u>9,285,367</u>	<u>12,281,504</u>

15. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>13,931</u>	<u>12,769</u>

	Deferred tax
	£
Balance at 1 July 2017	12,769
Charge to Income Statement during year	1,162
Balance at 30 June 2018	<u>13,931</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2018	2017
			£	£
13,333	Ordinary shares	£0.01p	<u>133</u>	<u>133</u>

17. RESERVES

	Retained earnings
	£
At 1 July 2017	697,283
Profit for the year	524,642
At 30 June 2018	<u>1,221,925</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

18. ULTIMATE PARENT COMPANY

The Remet Company Limited is regarded by the directors as being the company's ultimate parent company.

The Remet Company Limited prepares group financial statements incorporating the financial statements of the company. A copy of these can be obtained from that company's registered office at 9a Cody Business Centre, Cody Road, London E16 4SR.

19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There is a unlimited composite guarantee given by The Remet Company Limited, Avon Metals Limited and Avon Specialty Metals Limited to secure all bank liabilities of each other.

20. GUARANTEES

The company has given a guarantee to a third party in the sum of £500,000.

21. CONTINGENT LIABILITY

The company has given guarantees in respect of Avon Metals Limited and The Remet Company Limited bank overdraft facilities. At the year end there were bank liabilities for both companies totalling £10,241,133 (2017: £8,608,309).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.