

**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD**  
**1ST JULY 2021 TO 30TH SEPTEMBER 2022**  
**FOR**  
**AVON SPECIALTY METALS LIMITED**

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**FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**AVON SPECIALTY METALS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**DIRECTORS:** P J Brewer  
R Lewis  
S P Munnoch  
W Reid  
D K Bowman

**REGISTERED OFFICE:** Unit 2, Centurion Industrial Estate  
Empire Way  
Gloucester  
Gloucestershire  
GL2 5HY

**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 PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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The directors present their strategic report for the period 1st July 2021 to 30th September 2022.

**REVIEW OF BUSINESS**

The Income Statement 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:

	<b><u>2022</u></b>	<b><u>2021</u></b>
Turnover	£41.22m	£14.96m
Gross Profit	£5.24m	£1.60m
Operating Profit	£1.35m	£0.27m
Net Profit	£0.83m	£0.12m

**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:**

S P Munnoch - Director

13th April 2023

**REPORT OF THE DIRECTORS**  
**FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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The directors present their report with the financial statements of the company for the period 1st July 2021 to 30th September 2022.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

No dividends will be distributed for the period ended 30th September 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st July 2021 to the date of this report.

P J Brewer  
R Lewis  
S P Munnoch  
W Reid  
D K Bowman

**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 PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

S P Munnoch - Director

13th April 2023

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

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**Opinion**

We have audited the financial statements of Avon Specialty Metals Limited (the 'company') for the period ended 30th September 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and 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 30th September 2022 and of its profit for the period 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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, 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

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

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**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.

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance. Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.



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

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As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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](http://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

13th April 2023

**INCOME STATEMENT  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

		Period 1.7.21 to 30.9.22 £	Year Ended 30.6.21 £
	Notes		
<b>TURNOVER</b>	3	41,218,465	14,946,518
Cost of sales		<u>(35,974,645)</u>	<u>(13,345,227)</u>
<b>GROSS PROFIT</b>		5,243,820	1,601,291
Administrative expenses		<u>(3,894,110)</u>	<u>(1,329,004)</u>
<b>OPERATING PROFIT</b>	5	1,349,710	272,287
Interest payable and similar expenses	6	<u>(348,741)</u>	<u>(156,446)</u>
<b>PROFIT BEFORE TAXATION</b>		1,000,969	115,841
Tax on profit	7	<u>(170,768)</u>	<u>(820)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u><u>830,201</u></u>	<u><u>115,021</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

	Notes	Period 1.7.21 to 30.9.22 £	Year Ended 30.6.21 £
PROFIT FOR THE PERIOD		830,201	115,021
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>830,201</u>	<u>115,021</u>

**STATEMENT OF FINANCIAL POSITION**  
**30TH SEPTEMBER 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	8	891,883	773,385
<b>CURRENT ASSETS</b>			
Stocks	9	9,245,533	5,844,146
Debtors	10	8,906,942	6,740,846
Cash at bank and in hand		26,469	69,195
		<b>18,178,944</b>	<b>12,654,187</b>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(16,264,324)	(11,604,530)
<b>NET CURRENT ASSETS</b>		<b>1,914,620</b>	<b>1,049,657</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,806,503</b>	<b>1,823,042</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(122,824)	-
<b>PROVISIONS FOR LIABILITIES</b>	17	(129,532)	(99,096)
<b>NET ASSETS</b>		<b>2,554,147</b>	<b>1,723,946</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	133	133
Retained earnings	19	2,554,014	1,723,813
<b>SHAREHOLDERS' FUNDS</b>		<b>2,554,147</b>	<b>1,723,946</b>

The financial statements were approved by the Board of Directors and authorised for issue on 13th April 2023 and were signed on its behalf by:

S P Munnoch - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st July 2020</b>	133	1,608,792	1,608,925
<b>Changes in equity</b>			
Total comprehensive income	-	115,021	115,021
<b>Balance at 30th June 2021</b>	133	1,723,813	1,723,946
<b>Changes in equity</b>			
Total comprehensive income	-	830,201	830,201
<b>Balance at 30th September 2022</b>	133	2,554,014	2,554,147

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**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.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 7 Statement of Cash Flows.

**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 assets. 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 8)

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
Fixtures and fittings	- 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**2. ACCOUNTING POLICIES - continued**

**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.

**Taxation**

Taxation for the period 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 period 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**2. ACCOUNTING POLICIES - continued**

**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

**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.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**4. EMPLOYEES AND DIRECTORS**

	<b>Period 1.7.21 to 30.9.22 £</b>	<b>Year Ended 30.6.21 £</b>
Wages and salaries	<b>1,145,884</b>	563,732
Social security costs	<b>137,753</b>	55,715
Other pension costs	<b>26,069</b>	16,839
	<b><u>1,309,706</u></b>	<b><u>636,286</u></b>

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

	<b>Period 1.7.21 to 30.9.22</b>	<b>Year Ended 30.6.21</b>
Management	<b>2</b>	3
Admin	<b>10</b>	2
Production	<b>10</b>	15
	<b><u>22</u></b>	<b><u>20</u></b>

	<b>Period 1.7.21 to 30.9.22 £</b>	<b>Year Ended 30.6.21 £</b>
Directors' remuneration	<b>438,358</b>	157,197
Directors' pension contributions to money purchase schemes	<b><u>13,697</u></b>	<b><u>10,500</u></b>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<b><u>-</u></b>	<b><u>2</u></b>
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Information regarding the highest paid director for the period ended 30th September 2022 is as follows:

	<b>Period 1.7.21 to 30.9.22 £</b>
Emoluments etc	<b>273,324</b>
Pension contributions to money purchase schemes	<b><u>7,757</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**5. OPERATING PROFIT**

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

	Period 1.7.21 to 30.9.22 £	Year Ended 30.6.21 £
Hire of plant and machinery	7,309	2,617
Depreciation - owned assets	281,548	244,533
Profit on disposal of fixed assets	(6,500)	-
Auditors' remuneration	16,875	15,000
Foreign exchange differences	<u>898,348</u>	<u>(246,902)</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.7.21 to 30.9.22 £	Year Ended 30.6.21 £
Bank interest	245,323	79,003
Other interest	102,647	76,870
Leasing	771	573
	<u>348,741</u>	<u>156,446</u>

**7. TAXATION**

**Analysis of the tax charge**

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

	Period 1.7.21 to 30.9.22 £	Year Ended 30.6.21 £
Current tax:		
UK corporation tax	140,334	22,613
Interest on late tax	(2)	151
Total current tax	<u>140,332</u>	<u>22,764</u>
Deferred tax	30,436	(21,944)
Tax on profit	<u>170,768</u>	<u>820</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**7. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	<b>Period 1.7.21 to 30.9.22 £</b>	<b>Year Ended 30.6.21 £</b>
Profit before tax	<b>1,000,969</b>	<b>115,841</b>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>190,184</b>	<b>22,010</b>
Effects of:		
Expenses not deductible for tax purposes	<b>57,051</b>	46,895
Income not taxable for tax purposes	<b>(1,239)</b>	-
Capital allowances in excess of depreciation	<b>(105,664)</b>	(34,614)
Adjustments to tax charge in respect of previous periods	-	(3,486)
Deferred tax	<b>30,436</b>	(21,944)
Carried forward losses utilised	-	(8,041)
Total tax charge	<b>170,768</b>	<b>820</b>

**8. TANGIBLE FIXED ASSETS**

	<b>Short leasehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
<b>COST</b>				
At 1st July 2021	<b>26,078</b>	<b>1,677,151</b>	<b>114,361</b>	<b>1,817,590</b>
Additions	<b>14,272</b>	<b>302,808</b>	<b>82,966</b>	<b>400,046</b>
At 30th September 2022	<b>40,350</b>	<b>1,979,959</b>	<b>197,327</b>	<b>2,217,636</b>
<b>DEPRECIATION</b>				
At 1st July 2021	<b>25,727</b>	<b>987,676</b>	<b>30,802</b>	<b>1,044,205</b>
Charge for period	<b>1,302</b>	<b>242,723</b>	<b>37,523</b>	<b>281,548</b>
At 30th September 2022	<b>27,029</b>	<b>1,230,399</b>	<b>68,325</b>	<b>1,325,753</b>
<b>NET BOOK VALUE</b>				
At 30th September 2022	<b>13,321</b>	<b>749,560</b>	<b>129,002</b>	<b>891,883</b>
At 30th June 2021	<b>351</b>	<b>689,475</b>	<b>83,559</b>	<b>773,385</b>

**9. STOCKS**

	<b>2022 £</b>	<b>2021 £</b>
Stocks	<b>9,245,533</b>	<b>5,844,146</b>

Stock recognised in cost of sales during the year as an expense was £35,974,645 (2021: £13,345,227).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>8,403,091</b>	6,378,782
Amounts owed by group undertakings	-	2,597
Directors' current accounts	-	80,058
Tax	<b>26,019</b>	26,018
VAT	-	30,327
Prepayments and accrued income	<b>477,832</b>	223,064
	<b><u>8,906,942</u></b>	<b><u>6,740,846</u></b>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 13)	<b>11,202,581</b>	6,963,767
Hire purchase contracts (see note 14)	<b>20,641</b>	-
Trade creditors	<b>1,858,161</b>	2,104,717
Amounts owed to group undertakings	<b>2,432,520</b>	2,407,027
Tax	<b>103,640</b>	(36,694)
Social security and other taxes	<b>19,104</b>	-
Pension	<b>3,092</b>	-
VAT	<b>517,240</b>	-
Other creditors	<b>81</b>	-
Accrued expenses	<b>107,264</b>	165,713
	<b><u>16,264,324</u></b>	<b><u>11,604,530</u></b>

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 14)	<b><u>122,824</u></b>	<u>-</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	<b><u>11,202,581</u></b>	<u>6,963,767</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**14. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Net obligations repayable:		
Within one year	20,641	-
Between one and five years	<u>122,824</u>	<u>-</u>
	<u>143,465</u>	<u>-</u>

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank overdrafts	<u>11,202,581</u>	<u>6,963,767</u>

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

**16. FINANCIAL INSTRUMENTS**

**Carrying amount of financial assets**

	2022	2021
£		
Debt instruments measured at amortised cost	<u>8,403,091</u>	<u>6,458,840</u>

**Carrying amount of financial liabilities**

	2022	2021
£		
Measured at amortised cost	<u>15,621,248</u>	<u>11,475,511</u>

**17. PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax	<u>129,532</u>	<u>99,096</u>
		<b>Deferred tax</b>
		£
Balance at 1st July 2021		99,096
Provided during period		<u>30,436</u>
Balance at 30th September 2022		<u>129,532</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	<b>2022</b> £	2021 £
Number:	Class:			
13,333	Ordinary shares	£0.01p	<u>133</u>	<u>133</u>

**19. RESERVES**

	Retained earnings £
At 1st July 2021	<b>1,723,813</b>
Profit for the period	<b>830,201</b>
At 30th September 2022	<u><b>2,554,014</b></u>

**20. ULTIMATE PARENT COMPANY**

The Remet Group Limited was incorporated on 2 March 2022 and acquired control of The Remet Company Limited on 15 September 2022. It is regarded by the directors as being the company's ultimate parent company.

The Remet Group will be preparing group financial statements incorporating the financial statements of the company.

The Remet Company Limited will also be preparing group financial statements, as in previous years, 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 4TL.

**21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the period ended 30th September 2022 and the year ended 30th June 2021:

	<b>2022</b> £	2021 £
<b>W Reid</b>		
Balance outstanding at start of period	<b>80,000</b>	80,000
Amounts repaid	<b>(80,000)</b>	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>-</u>	<u>80,000</u>
<b>S P Munnoch</b>		
Balance outstanding at start of period	<b>58</b>	58
Amounts repaid	<b>(58)</b>	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>-</u>	<u>58</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1ST JULY 2021 TO 30TH SEPTEMBER 2022**

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**22. RELATED PARTY DISCLOSURES**

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

**Entities with control, joint control or significant influence over the entity**

The following related party transactions took place during the year;

Sales - £515,771

Purchases - £1,475,989

Loan interest paid - £102,647

Amounts due at year end - £2,432,520

During the period, a total of key management personnel compensation of £ 438,358 (2021 - £ 157,197 ) was paid.

**23. ULTIMATE CONTROLLING PARTY**

The Directors consider the ultimate controlling party to be the board of The Remet Group Limited.

**24. GUARANTEES**

The company has given a guarantee to HMRC in respect of duty deferment in the sum of £800,000.

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.