

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD
1ST OCTOBER 2022 TO 30TH JUNE 2023
FOR
AVON SPECIALTY METALS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	8
Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

AVON SPECIALTY METALS LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023

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 OCTOBER 2022 TO 30TH JUNE 2023**

The directors present their strategic report for the period 1st October 2022 to 30th June 2023.

REVIEW OF BUSINESS

The Income Statement is set out on Page 8 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:

	2023	2022
Turnover	£27.01m	£41.22m
Gross Profit	£4.57m	£5.24m
Operating Profit	£2.23m	£1.35m
Net Profit	£1.37m	£0.83m

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

5th December 2023

REPORT OF THE DIRECTORS
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023

The directors present their report with the financial statements of the company for the period 1st October 2022 to 30th June 2023.

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 June 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st October 2022 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 OCTOBER 2022 TO 30TH JUNE 2023

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

5th December 2023

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 period ended 30th June 2023 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 June 2023 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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. 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

5th December 2023

INCOME STATEMENT
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023

		Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
	Notes		
TURNOVER	3	27,005,612	41,218,465
Cost of sales		<u>(22,432,487)</u>	<u>(35,974,645)</u>
GROSS PROFIT		4,573,125	5,243,820
Administrative expenses		<u>(2,343,622)</u>	<u>(3,894,110)</u>
OPERATING PROFIT	5	2,229,503	1,349,710
Interest payable and similar expenses	6	<u>(437,755)</u>	<u>(348,741)</u>
PROFIT BEFORE TAXATION		1,791,748	1,000,969
Tax on profit	7	<u>(422,875)</u>	<u>(170,768)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>1,368,873</u></u>	<u><u>830,201</u></u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Notes		
PROFIT FOR THE PERIOD	1,368,873	830,201
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,368,873</u>	<u>830,201</u>

STATEMENT OF FINANCIAL POSITION

30TH JUNE 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	1,056,311	891,883
CURRENT ASSETS			
Stocks	9	12,053,404	9,245,533
Debtors	10	5,750,373	8,906,942
Cash at bank and in hand		2,006	26,469
		17,805,783	18,178,944
CREDITORS			
Amounts falling due within one year	11	(14,619,994)	(16,264,324)
NET CURRENT ASSETS		3,185,789	1,914,620
TOTAL ASSETS LESS CURRENT LIABILITIES		4,242,100	2,806,503
CREDITORS			
Amounts falling due after more than one year	12	(100,730)	(122,824)
PROVISIONS FOR LIABILITIES	16	(218,350)	(129,532)
NET ASSETS		3,923,020	2,554,147
CAPITAL AND RESERVES			
Called up share capital	17	133	133
Retained earnings	18	3,922,887	2,554,014
SHAREHOLDERS' FUNDS		3,923,020	2,554,147

The financial statements were approved by the Board of Directors and authorised for issue on 5th December 2023 and were signed on its behalf by:

S P Munnoch - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st July 2021	133	1,723,813	1,723,946
Changes in equity			
Total comprehensive income	-	830,201	830,201
Balance at 30th September 2022	133	2,554,014	2,554,147
Changes in equity			
Total comprehensive income	-	1,368,873	1,368,873
Balance at 30th June 2023	133	3,922,887	3,923,020

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

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 exemptions 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;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

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.

Short leasehold	- over period of the lease
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 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 OCTOBER 2022 TO 30TH JUNE 2023**

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 OCTOBER 2022 TO 30TH JUNE 2023**

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 OCTOBER 2022 TO 30TH JUNE 2023**

4. EMPLOYEES AND DIRECTORS

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Wages and salaries	1,101,239	1,145,884
Social security costs	125,739	137,753
Other pension costs	67,946	26,069
	<u>1,294,924</u>	<u>1,309,706</u>

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

	Period 1.10.22 to 30.6.23	Period 1.7.21 to 30.9.22
Management	2	2
Admin	10	10
Production	14	10
	<u>26</u>	<u>22</u>

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Directors' remuneration	465,237	438,358
Directors' pension contributions to money purchase schemes	<u>8,077</u>	<u>13,697</u>

Information regarding the highest paid director is as follows:

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Emoluments etc	263,987	273,324
Pension contributions to money purchase schemes	<u>4,615</u>	<u>7,757</u>

5. OPERATING PROFIT

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

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Hire of plant and machinery	7,813	7,309
Depreciation - owned assets	185,562	281,548
Loss/(profit) on disposal of fixed assets	11,323	(6,500)
Auditors' remuneration	16,305	16,875
Foreign exchange differences	<u>(490,195)</u>	<u>898,348</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Bank interest	340,950	245,323
Other interest	93,547	102,647
Interest on late tax	2,795	-
Leasing	463	771
	<u>437,755</u>	<u>348,741</u>

7. TAXATION

Analysis of the tax charge

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

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Current tax:		
UK corporation tax	334,057	140,334
Interest on late tax	-	(2)
Total current tax	<u>334,057</u>	<u>140,332</u>
Deferred tax	88,818	30,436
Tax on profit	<u>422,875</u>	<u>170,768</u>

Reconciliation of total tax charge included in profit and loss

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

	Period 1.10.22 to 30.6.23 £	Period 1.7.21 to 30.9.22 £
Profit before tax	<u>1,791,748</u>	<u>1,000,969</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21% (2022 - 19%)	376,267	190,184
Effects of:		
Expenses not deductible for tax purposes	4,488	57,051
Income not taxable for tax purposes	-	(1,239)
Capital allowances in excess of depreciation	(46,698)	(105,664)
Deferred tax	88,818	30,436
Total tax charge	<u>422,875</u>	<u>170,768</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st October 2022	40,350	1,979,959	197,327
Additions	-	285,719	21,355
Disposals	-	(62,437)	-
Reclassification/transfer	-	(320,912)	(22,337)
At 30th June 2023	40,350	1,882,329	196,345
DEPRECIATION			
At 1st October 2022	27,029	1,230,399	68,325
Charge for period	714	114,152	24,256
Eliminated on disposal	-	(51,113)	-
Reclassification/transfer	-	(108,743)	(7,406)
At 30th June 2023	27,743	1,184,695	85,175
NET BOOK VALUE			
At 30th June 2023	12,607	697,634	111,170
At 30th September 2022	13,321	749,560	129,002

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st October 2022	-	-	2,217,636
Additions	6,311	47,929	361,314
Disposals	-	-	(62,437)
Reclassification/transfer	199,189	144,059	(1)
At 30th June 2023	205,500	191,988	2,516,512
DEPRECIATION			
At 1st October 2022	-	-	1,325,753
Charge for period	32,846	13,594	185,562
Eliminated on disposal	-	-	(51,113)
Reclassification/transfer	26,411	89,737	(1)
At 30th June 2023	59,257	103,331	1,460,201
NET BOOK VALUE			
At 30th June 2023	146,243	88,657	1,056,311
At 30th September 2022	-	-	891,883

9. STOCKS

	2023 £	2022 £
Stocks	12,053,404	9,245,533

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	5,339,388	8,403,091
Tax	26,019	26,019
Prepayments and accrued income	384,966	477,832
	<u>5,750,373</u>	<u>8,906,942</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 13)	9,712,732	11,202,581
Hire purchase contracts (see note 14)	28,053	20,641
Trade creditors	1,050,392	1,858,161
Amounts owed to group undertakings	2,419,622	2,432,520
Tax	477,121	103,640
Social security and other taxes	22,458	19,104
Pension	3,504	3,092
VAT	304,027	517,240
Other creditors	42	81
Accrued expenses	602,043	107,264
	<u>14,619,994</u>	<u>16,264,324</u>

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

	2023	2022
	£	£
Hire purchase contracts (see note 14)	<u>100,730</u>	<u>122,824</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>9,712,732</u>	<u>11,202,581</u>

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Net obligations repayable:		
Within one year	28,053	20,641
Between one and five years	<u>100,730</u>	<u>122,824</u>
	<u>128,783</u>	<u>143,465</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023**

15. SECURED DEBTS

The following secured debts are included within creditors:

	2023 £	2022 £
Bank overdrafts	<u>9,712,732</u>	<u>11,202,581</u>

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

16. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Deferred tax	<u>218,350</u>	<u>129,532</u>
		Deferred tax
		£
Balance at 1st October 2022		129,532
Provided during period		88,818
Balance at 30th June 2023		<u>218,350</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
13,333	Ordinary shares	£0.01p	<u>133</u>	<u>133</u>

18. RESERVES

	Retained earnings £
At 1st October 2022	2,554,014
Profit for the period	1,368,873
At 30th June 2023	<u>3,922,887</u>

19. 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1ST OCTOBER 2022 TO 30TH JUNE 2023****20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the periods ended 30th June 2023 and 30th September 2022:

	2023 £	2022 £
W Reid		
Balance outstanding at start of period	-	80,000
Amounts repaid	-	(80,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	-	-
S P Munnoch		
Balance outstanding at start of period	-	58
Amounts repaid	-	(58)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	-	-

21. 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 - £129,753

Purchases/expenses - £829,804

Loan interest paid - £427,996

Amounts due at year end - £2,418,216

22. ULTIMATE CONTROLLING PARTY

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

23. 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.