

Ausurus Group Ltd

**Annual report and consolidated
financial statements**

Registered number 09123549

31 December 2015



Contents

Strategic Report	1
Directors' report	5
Statement of directors' responsibilities in respect of the annual report and the financial statements	6
Independent auditor's report to the members of Ausurus Group Ltd	7
Consolidated Profit and Loss Account and Other Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes	15

Strategic Report

The directors present their report together with the audited financial statements of Ausurus Group Ltd (“Ausurus” and the “Company”) and together with its subsidiaries, associated undertaking and joint ventures (the “Group”), for the year ended 31 December 2015.

On 7 November 2014 Ausurus Group Limited became the immediate parent company of European Metal Recycling Limited (‘EMR’) following a group reconstruction in which the company acquired the entire share capital of EMR. The ultimate shareholders and their relative rights were unaffected by this transfer.

Principal activities

The Ausurus Group comprises the core European Metal Recycling business (“EMR”), property businesses in the UK and US (“Praedius”) and a growing technology business (“Invenens”). EMR’s principal activities relate to the recycling of high value metal commodities from a range of sources such as end-of-life vehicles and consumer goods, industrial waste streams and the construction and demolition of buildings, ships and industrial equipment. EMR is actively engaged in all stages of the recycling process including the acquisition, collection, processing and delivery of scrap metal to the Group’s international customer base. Praedius currently holds a significant number of freehold sites in the UK and USA which are leased to EMR. It is intended that Invenens will act as a vehicle for the Group’s future investment in recycling innovation and technology.

Global Outlook

2015 saw the most precipitous, sustained decline in commodity prices since 2008. After significant reductions in the price of iron ore in 2014, the defining raw material cost for steel, 2015 saw further reductions of 46% (*source: Platts Iron Ore Index: IODEX*) triggering a fall in steel scrap prices from \$319 to \$185 per tonne (*source: Platts The Steel Index: Turkish imports HMS #1&2 80/20 scrap*). It should be noted that the price attrition began in September 2014 from a level of \$385, resulting in a total downward move of 52% over 15 months. There were similar, but less spectacular falls for other metals, copper and aluminium prices falling by 25% and 18% respectively (*source: London Metal Exchange*).

The drivers of this sea change were threefold: economic slowdown and deleveraging in China and other emerging markets reducing global demand for hard commodities; deflation of the Chinese RMB and other emerging market currencies, effectively reducing the global costs of mined raw materials and encouraging supply; and, the strength of US economy within a relatively sluggish global picture providing additional strength to the US Dollar, increasing the cost of hard commodities to China and emerging economies.

Such extreme movements in prices created dynamics in the supply chain: liquidity in the sales markets lacked continuity as mini mills preferred rolling cheap Chinese and CIS billet and slab rather than melting scrap; demand for premium recycled steel products was significantly eroded by cheap iron ore derivatives resulting in product mix challenges; and volumes were reduced as the recycling supply chain, manufacturing and the construction and demolition industry adjusted to the new economic reality.

Whilst the Group remained agile in adjusting buying prices to control margins, the above factors made this extremely challenging in 2015. Particularly in the recycled steel business where there are no terminal markets for hedging. In general margins were compressed due to the extreme downward market movement and the natural lag time between buying and selling. Additionally, the intermittent nature of sales vs. the continuous nature of buying and product mix adjustments resulted in some periods of negative margin. The impact on profitability was less pronounced for other metals due the Group’s policy of maintaining a balanced book using terminal market hedging strategies.

The Group believes that the markets in 2016 will be more stable and liquid as new trading ranges for commodity prices have now been re-established closer to the historical levels prior to the commodity super-cycle. This has been evidenced with a return to more normalised margins and a recovery in profitability during the first half of 2016.

Strategic Report (*continued*)

The major macroeconomic risk for 2016 would appear to be the result of the referendum for the UK to leave the EU. Management has considered the impact of this on the Group:

- **Weakness of the pound.** With around 40% of revenues coming from the UK, 40% from the USA and 20% from Continental Europe, the Group has something of a natural hedge to the FX movements already experienced and anticipated in the future.
- **A weakening of the UK economy.** The Group expect that this could have an impact on UK volumes as consumers and industry produce less waste.
- **Trade barriers and tariffs.** Revenues are determined by the movement of commodity raw materials, internationally traded in US dollars. Accordingly, the Group sees limited impact of any such measures on sales. However, it is conceivable that purchases of recycled materials from the automotive and other industrial sectors could be affected if such trade issues affected their respective sales volumes.
- **Legislation.** The UK business is largely regulated under EU environmental legislation. The broad consensus of opinion is that environmental/waste laws that we operate under are a good thing. The Group therefore expect no meaningful change on this front in the short to medium term.
- **Ripples in the global economy.** Global demand for recycled commodities is ultimately driven by the health of the global economy in particular emerging markets. The Group believes that, although there will be some effect, China is the main driver of the economics for the sales of hard commodities. The Group do not expect a significant adjustment beyond what was experienced in 2015.

Overall the Group has already implemented a significant portfolio of efficiency and opportunity projects to adjust to the economic reality of 2015. Performance for the first half of 2016 is ahead of expectations. Management, however, continue to remain vigilant as the global economic situation remains fragile.

Business Overview

The Group uses a number of key financial performance indicators in assessing and driving performance. The key financial performance indicators used by the Group are shown below:

	2015	2014
Group turnover (£m)	2,020	2,522
Gross margin	19.4%	19.2%
Group operating (loss)/profit (£m)	(26)	46
EBITDA (£m)	47	126
Stock turnover	33 days	65 days
Debtor days	16 days	26 days
Creditor days	22 days	24 days

Total sales for the year were £2.0bn (2014: £2.5bn). The reduction on prior year is entirely driven by reduced metal prices with the Group's total sales volumes increasing year on year. Gross margin for the year at 19.4% was above the 19.2% margin recorded in 2014 but combined with the decrease in turnover resulted in a year on year reduction in gross profit from £484m in 2014 to £391m in 2015. The Group continued to exercise strong monitoring and control of costs. Despite additional costs from the acquisition of new sites in the year, total overheads in 2015 fell by 5.4% to £417m, mainly due to a lower headcount, reduced site costs and lower oil prices.

There was a reduction in the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) from £126m in 2014 to £47m for the year driven by the one-off impact of the price reductions and the liquidation of brought forward inventory. However, a reduction in the Group's net debt position from £339m at the start of the year to £175m at 31 December 2015 maintained leverage against earnings at extremely prudent levels despite the difficult year. The Group maintains a strong balance sheet and liquidity position with net assets of £691m.

Strategic Report (*continued*)

Notwithstanding the challenging macro environment, the Group has continued to invest in its core capabilities during the year through £41m of Group capital spend and the acquisition of a number of strategically important sites in Europe and the UK. In May 2015, the Group acquired an additional 40.9% interest in the MBA Polymers (United Kingdom) Limited (“MBA”) plastics joint venture and assumed management control. Located in Worksop, MBA operates one of the most technologically advanced plastics recycling facilities in the world, further refining plastics recovered from shredder residue and converting it into virgin substitute plastic products.

A further £30m has been invested during the year in our waste-to-energy joint venture, Innovative Environmental Solutions UK Limited (“IES”), which successfully produced its first electricity during the year. It is envisaged that the plant will become fully operational in 2016. Both the plastics and waste-to-energy businesses utilise state of the art technologies and are key enablers of the Group’s “zero waste recycling” vision, a key differentiator for EMR. Upon completion of the IES facility, the Group will have a clear and established process to recycle durable consumer goods at an industry leading rate of 99%.

A core part of the Group’s strategy in the USA is the further development of the existing Mid-Atlantic business. On 10 September 2015, the Board received confirmation that its application under the New Jersey Economic Opportunity Act 2013 had been successful and the Group have been awarded tax credits to the value of \$253m. This investment from the State of New Jersey will aid a significant investment in the Group’s operations at its Camden site, adding significant long term value to the Group.

In recognition of the increasing reach and complexity of the Group’s operations further strength and depth has been added to the management team. In particular, the Board welcomes Edwin Leijnse as Group Chief Operating Officer and Rowland Cooper as Group HR Director.

With a significant number of efficiency and opportunity projects already completed in 2015 and Q1 2016, performance for the first half of 2016 is already ahead of expectations. Additionally, with the broad range of ongoing strategic initiatives underway, the Board are confident that the right long term decisions have and continue to be made and are optimistic for the future. The Group recognises that its success is only possible because of the commitment and diligence of its exceptional and dedicated workforce and the Board would like to thank them for their contribution.

Principal risks and uncertainties

The directors have set out below the principal risks facing the business. The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

- *Macroeconomic conditions* – The business has exposure to both scrap metal prices and volumes, both of which are inherently linked to the global economic environment. Consequently, changes in the levels of consumer and industrial activity will have a direct impact on the supply of, and demand for, recycled metal and therefore the level of activity and results achieved by the Group. In response to this risk, senior management aim to keep abreast of economic conditions and modify strategies accordingly.
- *Competition* – The market in which the Group operates is competitive resulting in margin pressures. Policies of constant price monitoring and ongoing market analysis are in place to mitigate such risks.
- *Reputational risk from operational incidents* – The Group’s success is dependent on conducting its business safely and in accordance with applicable regulatory requirements. An adverse operational incident could potentially damage the Group commercially. The Group places emphasis on the health and safety of its operations which are constantly monitored by the Board. Policies and processes are in place to ensure our operations remain safe and compliant.
- *Recruitment and retention of key staff* – Our success is dependent on recruiting and retaining the right people in all areas of our business. The failure to attract and retain personnel of the right calibre could have an adverse impact on the business. Succession and talent development is regularly discussed at Board level. The Group has a strategy in place to attract, retain and motivate key individuals to ensure their commitment to the ongoing success of the business.

Strategic Report (*continued*)

Financial risk management objectives and policies

The Group uses financial instruments, such as loans, loan notes, cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. In order to manage the Group's exposure to those risks, in particular the Group's exposure to currency risk and metal price risk, the Group enters into forward foreign currency contracts and London Metal Exchange ("LME") contracts.

- *Currency risk* – The Group is exposed to translational and transactional foreign currency risk. A substantial part of the Group's sales are denominated in currencies other than Sterling. Accordingly, transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts (note 25). The Group does not hedge Euro sales made by its European business or US Dollar sales by its US business.
- *Metal price risk* – The Group is exposed to the movement in scrap metal prices. Where appropriate, LME contracts (note 25) are used to hedge any metal price exposure inherent in physical metal contracts.
- *Credit risk* – The Group seeks to manage the risk of customers defaulting through the use of stringent customer acceptance thresholds and credit limits. In addition, the Group, where appropriate, uses payment in advance, letters of credit and credit insurance.
- *Interest rate risk* – The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash which earns interest at a floating rate. The interest bearing liabilities of the Group are detailed in note 19 to the financial statements and provide a mix of floating and fixed rate debt instruments. In addition, the Group uses an interest rate swap agreement to minimise the risk in the IES joint venture.
- *Going concern and liquidity risk* – The Group and Company seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably. Short term flexibility is achieved via overdraft and bank revolver facilities. The maturity of borrowings is set out in note 19 to the financial statements. In addition to these borrowings, at 31 December 2015, the Group had access to undrawn committed borrowing facilities of an additional £291m (2014: £269m).

The financial statements have been prepared on a going concern basis. The directors' assessment of the Group and Company as a going concern is disclosed within the principal accounting policies.

By order of the Board



Christopher Sheppard
Director

Sirius House
Delta Crescent
Westbrook
Warrington
WA5 7NS
30 June 2016

Directors' report

Dividend

There were no dividends paid during the financial year (2014: 10.1p per share).

Directors

The members of the board are set out below. All directors served throughout the year.

Colin Iles	
Christopher Sheppard	(Group Chief Executive Officer)
Robin Sheppard	
Edward Pysden	(Non-Executive Director)

During the financial year, a qualifying third party indemnity provision for the benefit of all of the directors was in force.

Employees

The necessity for, and importance of, good communication with all employees is recognised and practised by the Group. It is the policy of the Group to maintain the employment of disabled persons wherever practicable and to ensure appropriate opportunities exist for their training, career development and promotion. The Group operates bonus schemes to provide employee incentive payments.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP were appointed auditor in the year and pursuant to Section 487 of the Companies Act 2006, will be deemed to be reappointed and will therefore continue in office.

By order of the board



Christopher Sheppard
Director

Sirius House
Delta Crescent
Westbrook
Warrington
WA5 7NS
30 June 2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Independent auditor's report to the members of Ausurus Group Ltd

We have audited the financial statements of Ausurus Group Ltd for the year ended 31 December 2015 set out on pages 8 to 58. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Other matter – prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited, consequently International Standards on auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within the Financial Statements are unaudited.

Stuart Burdass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
30 June 2016

Consolidated Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2015

	Note	2015 £m	2014 £m
Turnover	2	2,020	2,522
Cost of sales		(1,629)	(2,038)
Gross profit		391	484
Distribution costs		(129)	(138)
Administrative expenses		(288)	(303)
Other operating income	3	-	3
Group operating (loss)/profit		(26)	46
Group's share of (loss)/profit in			
Joint Ventures	13	(42)	(21)
Associates	13	2	2
Other interest receivable and similar income	8	23	16
Interest payable and similar charges	9	(22)	(20)
(Loss)/profit on ordinary activities before taxation		(65)	23
Tax on (loss)/profit on ordinary activities	10	(6)	(11)
(Loss)/profit for the financial year		(71)	12
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		7	9
Net gain/(loss) on hedge of net investments in foreign operations		(6)	(8)
Revaluation of tangible fixed assets		-	-
Remeasurement of the net defined benefit liability (asset)		-	(1)
Effective portion of changes in fair value of cash flow hedges		-	-
Net change in fair value of cash flow hedges recycled to profit or loss		-	-
Income tax on other comprehensive income		-	-
Group's share of other comprehensive income of joint ventures and associates		-	-
Other comprehensive income for the year, net of income tax		1	-
Total comprehensive (loss)/income for the year		(70)	12
(Loss)/profit or loss attributable to			
Shareholders of the parent company		(69)	11
Minority interests		(2)	1
Total profit or loss		(71)	12
Total comprehensive (loss)/income attributable to			
Shareholders of the parent company		(68)	11
Minority interests		(2)	1
Total comprehensive (loss)/income		(70)	12

The notes on pages 15 to 56 form part of the financial statements

Consolidated Balance Sheet at 31 December 2015

	Note	2015 £m	2014 £m
Fixed assets			
<i>Intangible assets</i>			
Goodwill	11	72	95
<i>Tangible assets</i>			
Investments	12	350	327
Investments in Joint Ventures	13	(17)	20
Investments in Associates	13	32	31
		<u>437</u>	<u>473</u>
Current assets			
Stocks	14	149	363
Debtors (including £75m (2014 : £91m) due after more than one year)	15	483	525
Cash at bank and in hand	16	19	11
		<u>651</u>	<u>899</u>
Creditors: amounts falling due within one year	17	<u>(213)</u>	<u>(416)</u>
Net current assets		<u>438</u>	<u>483</u>
Total assets less current liabilities		<u>875</u>	<u>956</u>
Creditors: amounts falling due after more than one year	18	(162)	(157)
Provisions for liabilities			
Deferred tax liability	21	(4)	(2)
Other provisions	22	(18)	(35)
		<u>(184)</u>	<u>(194)</u>
Net assets		<u>691</u>	<u>762</u>
Capital and reserves			
Called up share capital	24	-	-
Share premium account	24	-	-
Merger reserve	24	8	8
Other reserves	24	2	2
Profit and loss account	24	669	737
		<u>679</u>	<u>747</u>
Equity attributable to the parent's shareholders		<u>679</u>	<u>747</u>
Minority Interests		<u>12</u>	<u>15</u>
Shareholders' funds		<u>691</u>	<u>762</u>

These financial statements were approved by the board of directors on 30 June 2016 and were signed on its behalf by:



Christopher Sheppard

Director

Company registered number: 09123549

The notes on pages 15 to 56 form part of the financial statements

Company Balance Sheet at 31 December 2015

	Note	2015 £m	£m
Fixed assets			
Investments	13	23	<u>23</u>
Current assets			
Debtors (including £nil (2014 : £nil)) due after more than one year	15	19	
Cash at bank and in hand	16	-	
		<u>19</u>	
Creditors: amounts falling due within one year	17	(42)	
		<u>(42)</u>	
Net current liabilities			(23)
Total assets less current liabilities			<u>-</u>
Creditors: amounts falling due after more than one year	18	(1)	
Provisions for liabilities			
Deferred tax liability	21	-	
Other provisions	22	-	
		<u>(1)</u>	
Net liabilities			<u>(1)</u>
Capital and reserves			
Called up share capital	24	-	
Share premium account	24	-	
Other reserves	24	-	
Own share reserve	24	-	
Profit and loss account	24	(1)	
		<u>(1)</u>	
Shareholders' funds			<u>(1)</u>

These financial statements were approved by the board of directors on 30 June 2016 and were signed on its behalf by:



Christopher Sheppard
Director

Company registered number: 09123549

The notes on pages 15 to 56 form part of the financial statements

Consolidated Statement of Changes in Equity

	Called up Share capital	Share Premium account	Merger reserve	Revaluation reserve	Other reserves	Cash flow hedging reserve	Profit & loss account	Total shareholder's equity	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2014	-	-	8	4	-	-	726	738	15	753
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	11	11	1	12
Other comprehensive income (see note 24)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	11	11	1	12
Transactions with owners, recorded directly in equity										
Dividends	-	-	-	-	-	-	(1)	(1)	-	(1)
Acquisition of minority interests	-	-	-	-	-	-	-	-	(2)	(2)
Exchange difference	-	-	-	-	-	-	(1)	(1)	1	-
Transfer between reserves	-	-	-	(2)	-	-	2	-	-	-
Total contributions by and distributions to owners	-	-	-	(2)	-	-	-	(2)	(1)	(3)
Balance at 31 December 2014	-	-	8	2	-	-	737	747	15	762

The notes on pages 15 to 56 form part of the financial statements

Consolidated Statement of Changes in Equity (continued)

	Called up Share capital	Share Premium account	Merger reserve	Revaluation reserve	Other reserves	Cash flow hedging reserve	Profit and loss account	Total shareholder's equity	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2015	-	-	8	2	-	-	737	747	15	762
Total comprehensive income for the period										
Profit or loss	-	-	-	-	-	-	(69)	(69)	(2)	(71)
Other comprehensive income (see note 24)	-	-	-	-	-	-	1	1	-	1
Total comprehensive income for the period	-	-	-	2	-	-	(68)	(68)	(2)	(70)
Transactions with owners, recorded directly in equity										
Dividends	-	-	-	-	-	-	-	-	-	-
Acquisition of minority interests	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-	-	-	(1)	(1)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1)	(1)
Balance at 31 December 2015	-	-	8	2	-	-	669	679	12	691
Set aside for dividends declared after the reporting period							(2)	(2)	-	(2)
Total							667	677	12	689

The notes on pages 15 to 56 form part of the financial statements

Company Statement of Changes in Equity

	Called up Share capital £m	Share Premium account £m	Revaluation reserve £m	Other reserves £m	Cash flow hedging reserve £m	Profit and loss account £m	Total equity £m
Total comprehensive income for the period							
Profit or loss	-	-	-	-	-	(1)	(1)
Other comprehensive income (see note 24)	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	-	-	(1)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity							
Dividends	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	-	-	-	-	-	(1)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Set aside for dividends declared after the reporting period						-	-
						<hr/>	<hr/>
Total						(1)	(1)
						<hr/>	<hr/>

The notes on pages 15 to 56 form part of the financial statements

Consolidated Cash Flow Statement for year ended 31 December 2015

	Note	2015 £m	2014 £m
Cash flows from operating activities			
Profit for the year		(71)	12
Adjustments for:			
Depreciation, amortisation and impairment		78	66
Foreign exchange losses		5	2
Interest receivable and similar income		(23)	(16)
Interest payable and similar charges		22	19
Gain on sale of tangible fixed assets		-	(3)
Decrease in grant income		-	(2)
Income from joint ventures and associates		40	19
Taxation		6	11
		<hr/>	<hr/>
(Increase)/decrease in trade and other debtors		61	13
(Increase)/decrease in stocks		209	(14)
(Decrease)/increase in trade and other creditors		(68)	(29)
(Decrease)/increase in provisions and employee benefits		(17)	1
		<hr/>	<hr/>
Defined benefit contributions paid		(1)	(1)
Dividends paid		-	(1)
Interest paid		(13)	(14)
Tax paid		(7)	(17)
		<hr/>	<hr/>
Net cash from operating activities		221	46
		<hr/>	<hr/>
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		1	5
Interest received		20	13
Acquisition of a business	32	-	(7)
Acquisition of a subsidiary		(19)	(4)
Acquisition of tangible fixed assets	12	(41)	(51)
		<hr/>	<hr/>
Net cash from investing activities		(39)	(44)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from new loan	19	22	43
Repayment of borrowings	19	(196)	(61)
Payment of finance-lease liabilities		-	-
		<hr/>	<hr/>
Net cash from financing activities		(174)	(18)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		8	(16)
Cash and cash equivalents at 1 January		11	27
Effect of exchange rate fluctuations on cash held		-	-
		<hr/>	<hr/>
Cash and cash equivalents at 31 December	16	19	11
		<hr/>	<hr/>

The notes on pages 15 to 56 form part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Ausurus Group Ltd (the “Company”) was incorporated on 9 July 2014 and is a company limited by shares and incorporated and domiciled in the UK.

On 7 November 2014 Ausurus Group Limited became the immediate parent company of European Metal Recycling Limited (‘EMR’) following a group reconstruction in which the Company acquired the entire share capital of EMR. The ultimate shareholders and their relative rights were unaffected by this transfer. As this is a Group reorganisation, merger accounting has been applied (see below).

Whilst the reorganisation occurred in the year the consolidated financial statements have been prepared as if the Group has always existed. As such the results of the Group and comparatives have been prepared for the years ended 31 December 2014 and 31 December 2015.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been implemented. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest one million pounds.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been and will continue to be applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- No financial instrument disclosures are included as the information is included in the consolidated disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 30.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 1 to 4 of the financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the Strategic report of the financial statements. The Group has considerable financial resources together with long term relationships with a number of customers and suppliers across different geographical areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the levels of its current facilities.

After making enquiries, the directors have a reasonable expectation that the Group and the Company, as holding company, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes (continued)

1 Accounting policies (continued)

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2015. Merger accounting has been applied following the aforementioned reorganisation of the Group on 7 November 2014. The Company has been introduced as the holding company of the Group in place of European Metal Recycling Limited.

A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investors holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Notes (continued)

1 Accounting policies (continued)

1.5 Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

1 Accounting policies (continued)

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Net investment hedges

Where the hedged item is the translation risk for the net assets of overseas subsidiaries in the consolidated financial statements, the Group may designate borrowings in the same currency as that overseas subsidiary's functional currency as a hedging instrument. In that case, the effective portion of the hedge is recognised in other comprehensive income, and only the ineffective portion of the hedging item's translation value is recorded in profit or loss.

Cumulative exchange differences recognised in OCI relating to a hedge of a net investment in a foreign operation shall not be reclassified to profit or loss on disposal or partial disposal of that foreign operation.

Notes (continued)

1 Accounting policies (continued)

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold and long leasehold properties	25 - 50 years or over the term of the lease
Short leasehold properties	Period of lease
Plant and machinery	3 - 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.9 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Notes (continued)

1 Accounting policies (continued)

1.10 Intangible assets, goodwill and negative goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Negative goodwill

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of intangible asset acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.11 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Notes (continued)

1 Accounting policies (continued)

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.13 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Notes (continued)

1 Accounting policies (continued)

1.13 Impairment excluding stocks, and deferred tax assets (continued)

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.14 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes (continued)

1 Accounting policies (continued)

1.15 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.16 Turnover

Turnover is measured at the fair value of consideration receivable by the Group for goods supplied and a service produced, excluding VAT and trade discounts, and is recognised on despatch of goods over the weighbridge or on departure of vessels from ports for bulk shipments. Adjustments relating to price and weight differences are accrued against turnover as identified.

1.17 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.18 **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Notes (continued)

2 Turnover

The turnover is attributable to the purchasing, processing and sale of ferrous and non-ferrous scrap metal and associated activities. The analysis of turnover by geographical market required by the Companies Act 2006 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Group.

3 Other operating income

	2015 £m	2014 £m
Net gain on disposal of tangible fixed assets	-	3
	<u>-</u>	<u>3</u>
	<u>-</u>	<u>3</u>

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2015 £m	2014 £m
Depreciation and other amounts written off tangible fixed assets - group	48	38
Depreciation and other amounts written off tangible fixed assets – joint ventures and associated undertakings	12	14
Amortisation of goodwill - subsidiaries	30	28
Amortisation of goodwill – joint ventures and associated undertakings	10	9
Hire of plant and machinery – operating leases	3	3
Hire of other assets – operating leases	24	9
Release of grant income	-	(2)
	<u>-</u>	<u>(2)</u>

Notes (continued)

5 Expenses and auditors' remuneration (continued)

Auditor's remuneration:

	2015 £m	2014 £m
Audit of these financial statements	9	-
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	555	506
Other tax advisory services	-	10
All other services	181	161
	<u> </u>	<u> </u>

6 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2015 No	2014 No
United Kingdom	1,490	1,487
Europe	136	119
USA	1,367	1,357
Other	21	16
	<u> </u>	<u> </u>
	3,014	2,979
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2015 £m	2014 £m
Wages and salaries	97	94
Social security costs	14	13
Other pension costs	3	2
	<u> </u>	<u> </u>
	114	109
	<u> </u>	<u> </u>

Pension costs are amounts charged to operating profit and do not include amounts charged/credited to net interest (notes 8 and 9) and amounts recognised in Other Comprehensive Income.

Notes (continued)

7 Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	1,655	1,969
Amounts receivable under long term incentive schemes	279	491
Company contributions to money purchase pension schemes	23	17
	<u>1,957</u>	<u>2,477</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £1,012,000 (2014: £1,101,000).

Retirement benefits accrued to one (2014: one) director under a money purchase scheme during the year.

8 Other interest receivable and similar income

	2015 £m	2014 £m
Interest receivable on financial assets at amortised cost	4	4
Net interest income on net defined benefit plan assets	2	2
Interest receivable from associates and joint ventures	13	10
Fair value movement on shares classed as financial liabilities	4	-
	<u>23</u>	<u>16</u>

Total interest receivable and similar income

Notes (continued)

9 Interest payable and similar charges

	2015 £m	2014 £m
Net loss on financial assets measured at fair value through profit or loss (excluding derivatives used in hedging arrangements)	-	2
Interest payable on financial liabilities at amortised cost	16	16
Net interest expense on net defined benefit liabilities	2	2
Other interest	4	-
	<hr/>	<hr/>
Total other interest payable and similar charges	22	20
	<hr/>	<hr/>

10 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2015 £m	£m	2014 £m	£m
<i>Current tax</i>				
Current tax on income for the period	3		14	
Adjustments in respect of prior periods	9		(1)	
	<hr/>		<hr/>	
Total current tax		12		13
<i>Deferred tax (see note 21)</i>				
Origination and reversal of timing differences	(6)		(2)	
	<hr/>		<hr/>	
Total deferred tax		(6)		(2)
		<hr/>		<hr/>
Total tax		6		11
		<hr/>		<hr/>

Notes (continued)

10 Taxation (continued)

	£m	2015 £m	£m	£m	2014 £m	£m
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	12	(6)	6	13	(2)	11
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
Total tax	12	(6)	6	13	(2)	11

Analysis of current tax recognised in profit and loss

	2015 £m	2014 £m
UK corporation tax	12	13
Double taxation relief	-	-
Foreign tax	-	-
Total current tax recognised in profit and loss	12	13

Reconciliation of effective tax rate

	2015 £m	2014 £m
(Loss)/profit for the year	(71)	12
Total tax expense	6	11
Profit excluding taxation	(65)	23
Tax using the UK corporation tax rate of 20.25 % (2014: 21.5%)	(13)	5
Effect of tax rates in foreign jurisdictions	(11)	(3)
Reduction in tax rate on deferred tax balances	-	-
Non-deductible expenses	(7)	5
Tax exempt revenues	-	-
Recognition of previously unrecognised tax losses	-	-
Current year losses for which no deferred tax asset was recognised	29	5
Under/(over) provided in prior years	8	(1)
Total tax expense included in profit or loss	6	11

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

11 Intangible assets and goodwill

Group

	Goodwill £m	Total £m
Cost		
Balance at 1 January 2015	316	316
Acquisitions through business combinations	4	4
Effect of movements in foreign exchange	8	8
	<hr/>	<hr/>
Balance at 31 December 2015	328	328
	<hr/>	<hr/>
Amortisation and impairment		
Balance at 1 January 2015	221	221
Amortisation for the year	30	30
Effect of movements in foreign exchange	5	5
	<hr/>	<hr/>
Balance at 31 December 2015	256	256
	<hr/>	<hr/>
Net book value		
At 1 January 2015	95	95
	<hr/>	<hr/>
At 31 December 2015	72	72
	<hr/>	<hr/>

Amortisation is recognised within administrative expenses in the profit and loss account.

Notes (continued)

12 Tangible fixed assets

<i>Group</i>	Freehold land and buildings £m	Long leasehold land and buildings £m	Short leasehold land and buildings £m	Plant and machinery £m	Total £m
Cost					
Balance at 1 January 2015	162	24	3	475	664
Acquisitions through business combinations	6	-	-	21	27
Other acquisitions	12	-	-	29	41
Disposals	-	(1)	(1)	(19)	(21)
Effect of movements in foreign exchange	3	1	-	7	11
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	183	24	2	513	722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
Balance at 1 January 2015	20	7	3	307	337
Depreciation charge for the year	8	-	-	40	48
Disposals	-	-	(1)	(16)	(17)
Effect of movements in foreign exchange	-	-	-	4	4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	28	7	2	335	372
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 1 January 2015	142	17	-	168	327
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	155	17	-	178	350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Freehold property for the Group includes land of £55m (2014 : £49m) which is not depreciated and plant and machinery includes assets in the course of construction amounting to £26m (2014 : £13m) which is not depreciated. All other assets are depreciated.

Leased plant and machinery

At 31 December 2015 the net carrying amount of plant and machinery leased under a finance lease was £227,000 (2014: £32,000).

Notes (continued)

13 Fixed asset investments

Fixed asset investments – Group

	Interests in associated undertakings	Interests in Joint Ventures	Total
	£m	£m	£m
Group			
<i>Cost</i>			
At beginning of year	20	102	122
Additions	-	9	9
Disposals	-	(14)	(14)
Transfers between items	(1)	5	4
	<hr/>	<hr/>	<hr/>
At end of year	19	102	121
	<hr/>	<hr/>	<hr/>
<i>Share of post acquisition reserves</i>			
At beginning of year	11	(82)	(71)
Retained profits less losses	2	(42)	(40)
Disposals	-	9	9
Transfers between items	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
At end of year	13	(119)	(106)
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 1 January 2014	31	20	51
	<hr/>	<hr/>	<hr/>
At 31 December 2015	32	(17)	15
	<hr/>	<hr/>	<hr/>

Notes *(continued)*

13 Fixed asset investments *(continued)*

13 Fixed asset investments – Company

Company	Shares in group undertakings £m	Participating interests £m	Loans to group undertakings £m	Total £m
<i>Cost</i>				
Additions	23	-	-	23
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	23	-	-	23
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Provisions</i>				
Provided in period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2015	23	-	-	23
	<hr/>	<hr/>	<hr/>	<hr/>

The undertakings in which the Group and Company held an interest at the year end are detailed in note 32.

Notes (continued)

14 Stocks

	Group 2015 £m	2014 £m	Company 2015 £m
Raw materials	146	361	-
Consumables	3	2	-
	<u>149</u>	<u>363</u>	<u>-</u>

Adjustments to stock to write down to net realisable value during the year amounted to £21m (2014 : £nil).

15 Debtors

	Group 2015 £m	2014 £m	Company 2015 £m
Trade debtors	91	178	-
Amounts owed by group undertakings	-	-	19
Amounts owed by group undertakings in which the entity has a participating interest	303	292	-
Other debtors	67	35	-
Deferred tax assets (see note 21)	7	3	-
Other financial assets (see note 25)	2	3	-
Prepayments and accrued income	13	14	-
	<u>483</u>	<u>525</u>	<u>19</u>
Due within one year	408	434	19
Due after more than one year:			
Amounts owed by group undertakings in which the entity has a participating interest	75	91	-
	<u>483</u>	<u>525</u>	<u>19</u>

Notes (continued)

16 Cash and cash equivalents/ bank overdrafts

	2015 £m	2014 £m
Cash at bank and in hand	19	11
Cash and cash equivalents per cash flow statements	<u>19</u>	<u>11</u>

17 Creditors: amounts falling due within one year

	Group 2015 £m	2014 £m	Company 2015 £m
Bank loans and overdrafts (see note 19)	33	195	-
Trade creditors	96	135	-
Amounts owed to group undertakings	-	-	42
Amounts owed to undertakings in which the entity has a participating interest	1	1	-
Taxation and social security	13	8	-
Other creditors	5	9	-
Accruals and deferred income	64	66	-
Other financial liabilities (see note 20)	1	2	-
	<u>213</u>	<u>416</u>	<u>42</u>

Notes (continued)

18 Creditors: amounts falling after more than one year

	Group 2015 £m	2014 £m	Company 2015 £m
Shares classified as debt (see note 24)	1	5	1
Bank loans and overdrafts (see note 19)	160	150	-
Accruals and deferred income	1	2	-
	<u>162</u>	<u>157</u>	<u>1</u>

The directors have reviewed the share capital and have determined that the following shares be classified as financial liabilities:

"B" Ordinary shares of 1p each

	2015 Number	2015 £m
Allotted, called up and fully paid		
"B" Ordinary shares of 1p each	<u>42,600</u>	<u>-</u>

The "B" Ordinary shares represent a compound instrument under FRS102, of which the liability component's value is £1m (2014 : £5m). The "B" Ordinary shares are redeemable at the option of the shareholder and attract a minimum redemption price of £4.7435 per share. The consideration payable on the redemption of the "B" Ordinary shares is due within 12 months of redemption notice being given.

Notes (continued)

19 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group 2015 £m	2014 £m	Company 2015 £m
Creditors falling due within less than one year			
Secured Loans and Loan Notes	29	27	-
Bank borrowings	4	168	-
	<u>33</u>	<u>195</u>	<u>-</u>
Creditors falling due more than one year			
Secured Loans and Loan Notes	160	150	-
	<u>160</u>	<u>150</u>	<u>-</u>

As at 31 December 2015, the Group had a £231m multi-currency credit facility with a group of international banks. The facility is currently a revolver facility with flexibility to restructure an element of the facility into term debt and allows drawings under a variety of currencies. Pricing is based on the inter-bank rate of the relevant currency for the corresponding period of the drawing with the interest margin determined by reference to a grid based on the consolidated net borrowings to consolidated net EBITDA ratio. The facility is secured by the Company and its subsidiaries.

The Group has in issue US\$29.1m of secured loan notes repayable between 2019 and 2022. The interest rates applicable on these loans range from 3.87% to 4.60%. These loans are guaranteed by certain of the Company's subsidiaries.

The Group has additional term loans and revolving credit facilities totalling £96m secured against certain freehold properties.

Notes (continued)

20 Other financial liabilities

	Group 2015 £m	2014 £m	Company 2015 £m
Amounts falling due within one year			
Financial liabilities designated as fair value through profit or loss	-	2	-
Financial liabilities held for trading (including derivatives)	1	-	-
Other financial liabilities measured at amortised cost	-	-	-
	<u>1</u>	<u>2</u>	<u>-</u>
Amounts falling due after more than one year			
Financial liabilities designated as fair value through profit or loss	-	-	-
Financial liabilities held for trading (including derivatives)	-	-	-
Other financial liabilities measured at amortised cost	-	-	-
	<u>1</u>	<u>2</u>	<u>-</u>

21 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2015 £m	2014 £m	Liabilities 2015 £m	2014 £m	Net 2015 £m	2014 £m
Accelerated capital allowances	-	-	4	5	4	5
Other	(7)	(3)	-	-	(7)	(3)
	<u>(7)</u>	<u>(3)</u>	<u>4</u>	<u>5</u>	<u>(3)</u>	<u>2</u>
Net tax (assets) / liabilities	<u>(7)</u>	<u>(3)</u>	<u>4</u>	<u>5</u>	<u>(3)</u>	<u>2</u>

In addition to the deferred tax asset above, the Group has additional unrecognised gross tax losses of £139m (2014: £56m).

Notes (continued)

21 Deferred tax assets and liabilities (continued)

Company	Assets 2015 £m	Liabilities 2015 £m	Net 2015 £m
Accelerated capital allowances	-	-	-
	<hr/>	<hr/>	<hr/>
Net tax (assets) / liabilities	-	-	-
	<hr/>	<hr/>	<hr/>

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £nil.

22 Provisions

Group	Total £m
Balance at 1 January 2015	35
Provisions used during the year	(7)
Provisions released	(10)
	<hr/>
Balance at 31 December 2015	18
	<hr/>

Other provisions relate to those costs expected to be incurred by the Group and Company in the future where a present obligation exists at the year end date and a reliable estimate can be made of the obligation. In particular, provision has been made for contractual or constructive obligations on vacating operating sites where these require remedial environmental action prior to vacation. Such remediation costs are reviewed annually and updated where the basis of calculation has changed as a result of, for example, changes in site utilisation plans and dirt disposal costs.

Further provision is made for costs to be incurred with regards to onerous leases, with these costs being determined by the annual lease cost and the unexpired lease term. Also included in other provisions are the costs for insurance claims relating to current and prior periods, having been valued by a qualified professional.

Notes (continued)

23 Employee benefits

The Group contributes to a number of pension schemes as follows:

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £2m (2014: £1m).

Contributions amounting to £nil (2014: £nil) were payable to the scheme.

Defined benefit scheme

The Group operates a funded defined benefit pension scheme for the benefit of certain of the Group's employees and directors. The assets of the scheme are administered by trustees in a fund independent from the assets of the Group.

Net pension (liability)/asset

	Group and Company 2015 £m
Defined benefit obligation	(46)
Plan assets	50
	<hr/>
Net pension asset	4
	<hr/> <hr/>

The Group has not recognised the net pension asset.

Movements in present value of defined benefit obligation

	Group and Company 2015 £m
At 1 January 2015	52
Current service cost	1
Interest expense	2
Settlement	(4)
Re-measurement: actuarial losses	(2)
Benefits paid	(3)
	<hr/>
At 31 December 2015	46
	<hr/> <hr/>

Notes (continued)

23 Employee benefits (continued)

Movements in fair value of plan assets

	2015 £m
At 1 January 2015	55
Interest income	2
Re-measurement: return on plan assets less interest income	(1)
Contributions by employer	1
Contributions by members	-
Assets distributed on settlements	(4)
Benefits paid	(3)
	<hr/>
At 31 December 2015	50
	<hr/> <hr/>

Expense recognised in the profit and loss account

	2015 £m	2014 £m
Current service cost	1	1
Net interest on net defined benefit liability	-	-
	<hr/>	<hr/>
Total expense recognised in the profit and loss account	1	1
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

23 Employee benefits (continued)

The fair value of the plan assets and the return on those assets were as follows:

	2015 Fair value £m	2014 Fair value £m
Diversified growth	30	34
Gilts and bonds	18	20
Cash	2	1
	<hr/> 50	<hr/> 55
	<hr/> <hr/>	<hr/> <hr/>
Actual return on plan assets	4	3
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	Group and Company 2015 %	2014 %
Discount rate	3.70	3.40
Expected rate of return on plan assets	3.70	3.40
Expected return on plan assets at beginning of the period.	3.40	4.40
Future salary increases	3.20	3.10
Rate of price inflation	3.20	3.10
Rate of LPI 5% pension increases based on RPI	3.05	2.95
Rate of LPI 3% pension increases based on RPI	2.35	2.30
Rate of LPI 3% pension increases based on CPI	2.00	1.95
Rate of LPI 2.5% pension increases based on RPI	2.05	2.00
	<hr/> <hr/>	<hr/> <hr/>

Last full actuarial valuation was performed on 5 April 2013. To measure the defined benefit obligation as at 31 December 2015, the Company adjusted salary levels by 3.20%.

In valuing the liabilities of the pension fund at 31 December 2015, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 25 years (male), 27 years (female).
- Future retiree upon reaching 65: 26 years (male), 29 years (female).

Notes (continued)

24 Capital and reserves

Share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
10,000,000 (2014: 10,000,000) "A" Ordinary shares of 1p each	100	100
42,600 (2014: 42,600) "B" Ordinary shares of 1p each	-	-
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>
Shares classified in shareholders' funds	100	100
Shares classified as financial liabilities	-	-
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

The Group's share capital in the comparative period reflects the capital structure of the parent company at the date of acquisition of EMR due to applying merger accounting principles.

The "B" Ordinary shares have been classified as liabilities and compound instruments. Further details on these classifications are set out in note 18.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

After the balance sheet date total dividends of £2,305,000 equivalent to 23p per qualifying ordinary share (2014: £1,014,000: 10.1p) were proposed and paid by the directors. The dividends have not been provided for.

Notes (continued)

24 Capital and reserves (continued)

Other comprehensive income

2015

Group

Other comprehensive income

Foreign exchange differences on translation of subsidiary undertakings
Net gain/(loss) on hedge of net investments in foreign operations

Total other comprehensive income

Revaluation reserve	Cash flow hedging reserve	Profit and loss account	Total other comprehensive income	Minority Interests
£m	£m	£m	£m	£m
-	-	7	7	-
-	-	(6)	(6)	-
-	-	1	1	-

2014

Group

Other comprehensive income

Foreign exchange differences on translation of subsidiary undertakings
Net gain/(loss) on hedge of net investments in foreign operations
Effective portion of changes in fair value of cash flow hedges
Re-measurements of the net defined benefit liability (asset)

Total other comprehensive income

Revaluation reserve	Cash flow hedging reserve	Profit and loss account	Total other comprehensive income	Minority Interests
£m	£m	£m	£m	£m
-	-	9	9	-
-	-	(8)	(8)	-
-	-	-	-	-
-	-	(1)	(1)	-
-	-	-	-	-

Notes (continued)

24 Capital and reserves (continued)

Other comprehensive income

2015

Company

	Revaluation reserve £m	Cash flow hedging reserve £m	Profit and loss account £m	Total Other comprehensive income £m
<i>Other comprehensive income</i>				
Effective portion of changes in fair value of cash flow hedges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive income	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Notes (continued)

25 Financial instruments

25 (a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Note	2015 £m	2014 £m
<i>Assets measured at fair value through profit or loss</i>			
Derivative financial instruments	15	2	3
Currency Swaps		-	-
<i>Assets measured at amortised cost</i>			
Trade receivables	15	91	178
Amounts owed by group undertakings in which the entity has a participating interest	15	303	292
Other receivables	15	80	49
<i>Assets measured at cost less impairment</i>			
		-	-
<i>Liabilities measured at fair value through profit or loss</i>			
Derivative financial instruments	20	(1)	(2)
<i>Liabilities measured at amortised cost</i>			
Secured loans and loan notes	19	(189)	(177)
Revolving credit facilities	19	(4)	(168)
Trade creditors	17	(96)	(135)
Amounts owed to group undertakings in which the entity has a participating interest	17	(1)	(1)
Other creditors – deferred consideration	17	(5)	(9)

25 (b) Financial instruments measured at fair value

Derivative financial instruments

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for future foreign currency commitments. The fair values of the assets and liabilities held at fair value through the profit and loss account at the balance sheet date are determined using broker valuations obtained by the Group. At 31 December 2015, the fair value of the forward foreign currency contracts is a liability of £899,000 (2014: £1,256,000 liability) and the outstanding contracts all mature within six months (2014: six months).

The Group enters into forward commodity contracts to protect against movements in the underlying commodity of the related material purchase or sale. The Group's primary exposure is to non-ferrous metal prices. At 31 December 2015, the fair value of the forward commodity contracts is an asset of £2,043,000 (2014: £2,646,000 asset) and the outstanding contracts all mature within one year (2014: one year).

The Group uses interest rate swaps to manage interest rate risk volatility on behalf of a joint venture. Amounts receivable/payable under the instrument are recharged on a back-to-back basis to the joint venture. The fair values of the assets and liabilities held at fair value through the profit and loss account at the balance sheet date are determined using broker valuations obtained by the Group. At 31 December 2015 the fair value of the interest rate swap is a liability of £399,000 (2014: £843,000 liability).

The Group enters into foreign currency swaps to manage its short term foreign currency position. The fair values of the associated assets and liabilities held at fair value through the profit and loss account at the balance sheet date are determined using broker valuations obtained by the Group. At 31 December 2015, the fair value of the currency swaps is a liability of £49,000 (2014: £295,000 asset) and the outstanding contracts all mature within 3 months (2014: 3 months).

Notes (continued)

25 Financial instruments (continued)

25 (c) Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur

	2015						2014					
	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2years £m	2 to <5years £m	5years and over £m	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2years £m	2 to <5years £m	5years and over £m
Interest rate swaps:												
Assets	-	-	-	-	-	-	1	1	1	-	-	-
Liabilities	-	-	-	-	-	-	(1)	(1)	(1)	-	-	-
Forward exchange contracts:												
Assets	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities	(1)	(1)	(1)	-	-	-	(1)	(1)	(1)	-	-	-
	(1)	(1)	(1)	-	-	-	(1)	(1)	(1)	-	-	-

Notes (continued)

26 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2015 £m	2014 £m	Company 2015 £m	2014 £m
Less than one year	6	8	-	-
Between one and five years	19	27	2	3
More than five years	84	73	68	50
	<u>109</u>	<u>108</u>	<u>70</u>	<u>53</u>

During the year £20m was recognised as an expense in the profit and loss account in respect of operating leases (2014: £13m).

27 Commitments

Capital commitments

Contractual commitments to purchase tangible fixed assets at the year-end were:

	Group 2015 £m	2014 £m	Company 2015 £m	2014 £m
Contracted	<u>3</u>	<u>12</u>	<u>2</u>	<u>5</u>

28 Related parties

In addition to amounts disclosed within notes 15 and 17 in the financial statements, the Group had the following transactions with related parties in the normal course of its business:

	2015 £m	2014 £m
Sales of goods to associated undertakings	4	28
Purchase of goods from associated undertakings	-	1
Sales of goods to joint ventures	1	1
Purchase of goods from joint ventures	7	6
Management charges to joint ventures	<u>1</u>	<u>1</u>

Notes (continued)

29 Subsequent events

In March 2016 the Group completed a successful tender offer for its Private Placement notes, repaying some £96m of notes and enabling the Group to rebalance its debt structure going forward.

30 Key accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Provisions (note 22)

Provisions are made for dilapidations and contingencies. These provisions require managements best estimate of the cost that will be incurred based on legislative and contractual requirements and the timing of the cash flows.

Defined benefit pension scheme (note 23)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Impairment of goodwill (note 11)

The Group considers whether goodwill is impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Notes (continued)

31 Acquisitions and disposal of businesses

Acquisitions in the current period

On 30 April 2015, a further 10% interest was acquired in EMR Gold Recycling LLC and associated companies ("Gold") for a total consideration of £9m. The Group had previously acquired a 70.8% interest in Gold during 2011 and 2014.

The acquisition has been accounted for using the acquisition method of accounting and details of all book values, fair value adjustments fair values are contained within this note.

Goodwill arising on the above acquisition is being amortised over 10 years, as the directors consider this to be the estimated useful life.

	Book and Fair value £m
Tangible fixed assets	19
Stocks	11
Debtors	39
Cash at bank	1
Bank loans	(5)
Creditors and accruals	(14)
	<hr/>
Total net assets	51
Percentage share of net assets acquired	10%
Share of net assets	5
Goodwill	4
	<hr/>
Cost of acquisition	9
	<hr/> <hr/>
<i>Satisfied by:</i>	
Cash	4
Deferred consideration	5
	<hr/> <hr/>

Notes (continued)

31 Acquisitions of businesses (continued)

Acquisitions in the current period(continued)

On 4 March 2015, the Group acquired a 100% interest in Martens Investerings BV and its subsidiary Martens Metal Recycling BV (together 'Martens') for a consideration of £8m.

The acquisition has been accounted for using the acquisition method of accounting and details of all book values, fair value adjustments fair values are contained within this note.

	Book and Fair value £m
Tangible fixed assets	4
Debtors	3
Cash at bank	2
Corporation tax creditor	(1)
	<hr/>
Total net assets	8
Percentage share of net assets acquired	100%
Share of net assets	8
Goodwill	-
	<hr/>
Cost of acquisition	8
	<hr/>
<i>Satisfied by:</i>	
Cash	8
	<hr/>

On 31 May 2015 The Group acquired a further 40.9% interest in MBA Polymers (United Kingdom) Limited, through the conversion of loan notes totalling £6m bringing the Group's total interest to 75.9%.

Notes (continued)

32 Group entities

The undertakings in which the Group and Company had an interest at the year-end are as follows.

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<u>Subsidiary undertakings</u>				
European Metal Recycling Limited	United Kingdom	Metal recycler	100%	100%
Praedius Ltd.	United Kingdom	Holding company	100%	100%
Invenens Limited	United Kingdom	Holding company	100%	100%
American Iron & Steel Company	USA	Metal recycler	-	100%
American Steel & Industrial Supply Co LLC	USA	Metal recycler	-	87%
Auto Shred Recycling LLC	USA	Dormant company	-	100%
Automobile Recycling Services LLC	USA	Metal recycler	-	80.8%
CD Jordan and Son (Transport) Limited	United Kingdom	Dormant company	-	100%
CD Jordan and Son Limited	United Kingdom	Dormant company	-	100%
Cleveland Metals Limited	United Kingdom	Dormant company	-	100%
Cooper Barnes Metals Limited	United Kingdom	Dormant company	-	100%
Coopers Holdings Limited	United Kingdom	Dormant company	-	100%
Coopers Metals (Holdings) Limited	United Kingdom	Dormant company	-	100%
E Barnes & Co Limited	United Kingdom	Dormant company	-	100%
EMR (USA Holdings) Inc	USA	Holding company	-	100%
EMR 2003	United Kingdom	Dormant company	-	100%
EMR Advanced Recycling LLC	USA	Dormant company	-	100%
EMR Deutschland Beteiligungsgesellschaft mbH	Germany	Holding company	-	100%
EMR Eastern LLC	USA	Holding company	-	100%
EMR Energy LLC	USA	Dormant company	-	100%
EMR European Metal Recycling GmbH	Germany	Metal recycler	-	100%
EMR Exports Limited	United Kingdom	Holding company	-	100%
EMR Financing Limited	United Kingdom	Holding company	-	100%
EMR Financing LLC	USA	Holding company	-	100%
EMR GmbH	Switzerland	Metal recycler	-	100%
EMR Gold Export Services Inc	USA	Metal recycler	-	80.8%
EMR Gold Recycling LLC	USA	Metal recycler	-	80.8%
EMR Holdings BV	Netherlands	Holding company	-	100%
EMR Management Services LLC	USA	Dormant company	-	100%
EMR Marine Terminals LLC	USA	Dormant company	-	100%
EMR Maritime GmbH	Germany	Export company	-	100%
EMR Metales SLU	Spain	Metal recycler	-	100%
EMR Midland Shredders Limited	United Kingdom	Dormant company	-	100%
EMR OOO	Russia	Metal recycler	-	100%
EMR Polymers LLC	USA	Dormant company	-	100%
EMR Shipping Limited	United Kingdom	Dormant company	-	100%
EMR Trading LLC	USA	Metal recycler	-	100%
European Metal Recycling (Dormant) Ltd	United Kingdom	Holding company	-	100%
European Metal Recycling (Hong Kong) Limited	Hong Kong	Metal recycler	-	100%
European Metal Recycling (International) Limited	United Kingdom	Holding company	-	100%
European Metal Recycling (USA) Limited	United Kingdom	Holding company	-	100%
European Metal Recycling B.V	Netherlands	Metal recycler	-	100%
European Metal Recycling Inc	USA	Dormant company	-	100%
European Metal Recycling S.R.L.	Italy	Metal recycler	-	100%
Ever 1052 Limited	United Kingdom	Dormant company	-	100%
Gainesville Homestead Properties LLC	USA	Property company	-	80.8%
GMFW Real Property LLC	USA	Property company	-	80.8%
GMR Recycling Inc	USA	Metal recycler	-	80.8%
GMV Enterprises LLC	USA	Metal recycler	-	80.8%
GMV Ltd	USA	Metal recycler	-	80.8%
GNR Operations Inc	USA	Metal recycler	-	80.8%
GNR Recycling LP	USA	Metal recycler	-	80.8%
Evinco Terminals LLC	USA	Dormant company	-	100%

Notes (continued)

34 Group entities (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Group	Company
<u>Subsidiary undertakings (continued)</u>				
Gold Metal Recyclers Fort Worth LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Gainesville LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Ltd	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Management LLC	USA	Metal recycler	-	80.8%
Gold Metal Recyclers Oklahoma LLC	USA	Metal recycler	-	80.8%
Goldberg Industries Inc	USA	Metal recycler	-	80.8%
Great Western Recycling Inc	USA	Metal recycler	-	100%
GW Acquisition Corp	USA	Holding company	-	100%
Henderson Kerr (Scrap Processors) Limited	United Kingdom	Dormant company	-	100%
Henderson Kerr Limited	United Kingdom	Dormant company	-	100%
International Metal & Steel B.V.	Netherlands	investment company	-	100%
International Metal Recycling UK Limited	United Kingdom	Dormant company	-	100%
International Shipbreaking Limited LLC	USA	Metal recycler	-	100%
Island Recycling Limited	United Kingdom	Dormant company	-	100%
J T Broadhurst & Sons Limited	United Kingdom	Dormant company	-	100%
Jackson Dunn Limited	United Kingdom	Dormant company	-	100%
Jordans (Newhaven) Limited	United Kingdom	Dormant company	-	100%
Martens Investerings B.V.	Netherlands	Dormant company	-	100%
Martens Metaal Recycling B.V	Netherlands	Dormant company	-	100%
Mayer Environmental Ltd	United Kingdom	Environmental consultants	-	100%
Mayer Parry (East Anglia) Limited	United Kingdom	Dormant company	-	100%
Mayer Parry Recycling (Holdings) Limited	United Kingdom	Dormant company	-	100%
Mayer Parry Recycling Limited	United Kingdom	Dormant company	-	100%
MBA Polymers United Kingdom Limited	United Kingdom	Recycling of plastics from metal streams	-	75.9%
Meon Valley Metals Limited	United Kingdom	Dormant company	-	100%
Metals Reduction Company, LLC	USA	Dormant company	-	100%
Mosssdale Metals (Durham City) Limited	United Kingdom	Dormant company	-	100%
Mountstar Metal Corporation Limited	United Kingdom	Dormant company	-	100%
Northern Metals LLC	USA	Metal recycler	-	100%
Northern Metals Recovery LLC	USA	Dormant company	-	100%
Phillips Recycling Systems LLC	USA	Metal recycler	-	100%
Praedius UK Limited	United Kingdom	Landholding company	-	100%
Praedius UK (No 1) Limited	United Kingdom	Landholding company	-	100%
Praedius UK (No 2) Limited	United Kingdom	Landholding company	-	100%
Praedius USA Inc	USA	Landholding company	-	100%
Praedius USA1 LLC	USA	Landholding company	-	100%
Premier Granules UK Limited	United Kingdom	Dormant company	-	100%
Robinson Group Ltd	United Kingdom	Dormant company	-	100%
Robinson Shipping Services Limited	United Kingdom	Dormant company	-	100%
Scrap Processing (Portsmouth) Limited	United Kingdom	Dormant company	-	100%
Sheppard Group Limited	United Kingdom	Dormant company	--	100%
Southern Recycling Sales LLC	USA	Metal recycler	-	100%
Southern Scrap Material Co LLC	USA	Dormant company	-	100%
Southern Scrap Recycling Morgan City LLC	USA	Dormant company	-	100%
SSX LLC	USA	Dormant company	-	100%
T Holloway & Sons (Metals) Limited	United Kingdom	Dormant company	-	100%
T Lethbridge Limited	United Kingdom	Dormant company	-	100%
The Auto Store LLC	USA	Metal recycler	-	100%
Toy Eau Claire Properties LLC	USA	Property company	-	100%
Toy Properties LLC	USA	Property company	-	100%
Toy's Custom Shearing LLC	USA	Metal recycler	-	100%
Toy's Scrap and Salvage Corp	USA	Metal recycler	-	100%
Toy's Transport LLC	USA	Transport company	-	100%
Viking Land Holdings LLC	USA	Property company	-	100%
Reource Recycling LLC	USA	Dormant company	-	100%

Notes (continued)

34 Group entities (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<u>Joint Ventures</u>				
1751 Kenilworth Land, LLC	USA	Property company	-	50%
Allegany Scrap, Inc.	USA	Metal recycler	-	50%
Atlas Traders, LLC	USA	Metal recycler	-	50%
Auto Recycling Real Estate, LLC	USA	Metal recycler	-	50%
Baltimore Western Marine Terminal LLC	USA	Metal recycler	-	25%
Beaver Heights Associates, LLC	USA	Metal recycler	-	50%
Camden Iron & Metal Inc	USA	Metal recycler	-	50%
Camden Iron & Metal, LLC	USA	Metal recycler	-	50%
Camden Metal Company, Inc	USA	Metal recycler	-	50%
Capitol Heights Metal Recycling Inc	USA	Metal recycler	-	50%
Caroline Lands LLC	USA	Property company	-	50%
Caroline Scrap Metal Inc	USA	Metal recycler	-	50%
Carroll Land LLC	USA	Property company	-	50%
Carroll Scrap Metal Inc	USA	Metal recycler	-	50%
Cohen Recycling, Inc.	USA	Metal recycler	-	25%
CRI Property Co., LLC	USA	Property company	-	25%
Cumberland Land, LLC	USA	Property company	-	50%
David Paul Inv., LLC	USA	Holding company	-	50%
Day Road Land LLC	USA	Property company	-	50%
Deenah, LLC	USA	Property company	-	25%
Delco Metals Inc	USA	Metal recycler	-	50%
Delmar Industries, LLC	USA	Property company	-	50%
Dover Scrap Metal Inc	USA	Metal recycler	-	50%
Eastern Metal Recycling Inc	USA	Metal recycler	-	50%
Eastern Metal Recycling LLC	USA	Metal recycler	-	50%
Eastern Metal Recycling Terminal, LLC	USA	Metal recycler	-	50%
Econ EMR JV Limited	United Kingdom	Dormant company	-	50%
EMR / Smith Industries LLC	USA	Holding company	-	50%
F&K, Inc.	USA	Metal recycler	-	50%
FDR, LLC	USA	Property company	-	50%
Frederick Motor Company, Inc.	USA	Metal recycler	-	50%
Frederick Scrap Inc	USA	Metal recycler	-	50%
Fredericksburg Land LLC	USA	Property company	-	50%
General Auto Parts, Inc.	USA	Metal recycler	-	50%
Girard Point Corp	USA	Metal recycler	-	50%
Gunston Cove Land, LLC	USA	Property company	-	50%
Harbor Auto Associates LLC	USA	Metal recycler	-	50%
Harrisonburg Land, LLC	USA	Property company	-	50%
Hartly Land, LLC	USA	Property company	-	50%
Hayden Auto Service Inc	USA	Metal recycler	-	50%
Henderson Land, LLC	USA	Property company	-	50%
Henderson Scrap Metal Inc	USA	Metal recycler	-	50%
Hercules Auto Salvage, Inc.	USA	Metal recycler	-	50%
Hunts (Jersey) Limited	Jersey	Metal recycler	-	51%
Innovative Environmental Solutions UK Limited	United Kingdom	Production of energy from waste streams	-	40%
Innovative Recovery Products, LLC	USA	Metal recycler	-	50%
Johnstown Lands LLC	USA	Property company	-	50%
Johnstown Scrap Metal, Inc	USA	Metal recycler	-	50%
Joppa 420, LLC	USA	Property company	-	50%
Joppa 500, LLC	USA	Property company	-	50%
Joppa Auto Salvage, Inc.	USA	Metal recycler	-	50%
Joseph Smith & Sons, Inc.	USA	Metal recycler	-	50%
JS Trucking, Inc.	USA	Metal recycler	-	50%
Halethorpe Farms Land Inc.	USA	Property company	-	50%

Notes (continued)

34 Group entities (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<u>Joint Ventures (continued)</u>				
Kenilworth Recovery Systems, LLC	USA	Metal recycler	-	50%
Kent Land, LLC	USA	Property company	-	50%
Kent Scrap Metal, Inc.	USA	Metal recycler	-	50%
L&L Acquisition Company	USA	Property company	-	50%
L&L Waste Disposal & Metal Recycling Inc.	USA	Metal recycler	-	50%
Lands of Shenandoah LLC	USA	Property company	-	50%
Lands of Somerset, LLC	USA	Property company	-	50%
Lands of Westover, LLC	USA	Property company	-	50%
Lands of Woodbridge LLC	USA	Property company	-	50%
Manassas Land, LLC	USA	Property company	-	50%
Metal Properties, Inc.	USA	Property company	-	50%
Olive Street Property, LLC	USA	Property company	-	50%
Preston Terminals Inc	USA	Metal recycler	-	50%
Prince Georges Scrap, Inc.	USA	Metal recycler	-	50%
Prince William Metal Recycling, Inc	USA	Metal recycler	-	50%
R. Kelly Freedman Holding Group, LLC	USA	Holding company	-	50%
R.P. Smith Properties, LLC	USA	Property company	-	50%
Recovermat Mid-Atlantic LLC	USA	Metal recycler	-	50%
Recovermat Technologies, Inc.	USA	Metal recycler	-	50%
Recycling Properties LLC	USA	Property company	-	50%
Rhino Recycling Inc	USA	Metal recycler	-	50%
Ritchie Road Land, LLC	USA	Property company	-	50%
RPM Realty LLC	USA	Property company	-	45%
RPS Land, LLC	USA	Property company	-	50%
RPS Marine, LLC	USA	Metal recycler	-	50%
RPS Mid-Atlantic Marine Terminal, LLC	USA	Metal recycler	-	50%
RPS Realty Holdings LLC	USA	Holding company	-	50%
S Street Land, LLC	USA	Property company	-	50%
Salisbury Scrap Metal Inc	USA	Metal recycler	-	50%
Satellite Services Inc	USA	Metal recycler	-	50%
Service Bays, LLC	USA	Metal recycler	-	50%
Shenandoah Scrap Metal Inc	USA	Metal recycler	-	50%
Smith Camden Disc Inc	USA	Holding company	-	50%
Smith CRI, LLC	USA	Metal recycler	-	50%
Smith Export Terminal, Inc.	USA	Metal recycler	-	50%
Smith Industries, Inc.	USA	Holding company	-	50%
Smith Payroll Services, Inc.	USA	Administration company	-	50%
Smith Railroad Company Inc	USA	Transport company	-	50%
SPC Corporation	USA	Metal recycler	-	50%
Springfield Scrap Metal Inc	USA	Metal recycler	-	50%
Sussex Scrap Metal, Inc.	USA	Metal recycler	-	50%
Tioga Real Estate, LLC	USA	Property company	-	50%
United Compressed Steel Company	USA	Metal recycler	-	50%
US Electronics Land LLC	USA	Property company	-	25%
US Electronics, LLC	USA	Metal recycler	-	25%
Vineland Processing Inc	USA	Metal recycler	-	50%
Westernport Land, LLC	USA	Property company	-	50%
Westernport Salvage, Inc.	USA	Metal recycler	-	50%
Westover Scrap Metal Inc	USA	Metal recycler	-	50%
Wicomico Land LLC	USA	Property company	-	50%
Wilmington Metal Recycling Inc	USA	Metal recycler	-	50%
Winchester Land, LLC	USA	Property company	-	50%
Winchester Scrap, Inc	USA	Metal recycler	-	50%
Woodbridge Metal Recycling Inc	USA	Metal recycler	-	50%
Somerset Scrap Metal, Inc	USA	Metal recycler	-	50%

Notes (continued)

34 Group entities (continued)

	Country of incorporation	Principal activity	Class and percentage of shares held	
			Company	Group
<u>Associated Undertakings</u>				
Alstrong ACP Manufacturing India Private Limited	India	Manufacturing company	-	49%
Alstrong Enterprises India Private Limited	India	Manufacturing company	-	36%
Alubond ACP Manufacturing India Private Limited	India	Manufacturing company	-	49%
Arctos Trading Pty Limited (RSA)	South Africa	Property company	-	49%
Canadensis Trading Pty Limited	South Africa	Property company	-	49%
Dharitrimaa Energy Pte Limited	Mauritius	Property company	-	49%
Draveen Trading Private Limited	India	Property company	-	49%
Everest Metal Fze	UAE	Metal recycler	-	49%
Grande Castello Pvt Limited	India	Logistics company	-	49%
IMR Holding Pte Limited (Singapore)	Singapore	Holding company	-	49%
Kandla Infradevelopers Private Limited	India	Property company	-	49%
Loni Builders Private Limited	India	Property company	-	49%
Maple Logistics Private Limited	India	Logistics company	-	12%
Maple ODC Movers Pvt Limited	India	Property company	-	12%
Maritimus Trading Pty Limited	South Africa	Property company	-	29%
Metallum Inc	USA	Property company	-	49%
N.G Dwelling Pvt Limited	India	Property company	-	49%
RD Khan Agro Private Limited	India	Property company	-	49%
Sanjvik Terminals Private Limited	India	Property company	-	19%
Seagull Global Logistics LLC	UAE	Logistics company	-	39%
Seagull Global Logistics USA LLC	USA	Logistics company	-	39%
Seagull Maritime Agencies Private Limited	India	Logistics company	-	39%
Seagull Maritime Agencies Singapore Pte Limited	Singapore	Logistics company	-	39%
Solitaire Infradevelopers Private Limited	India	Property company	-	25%
Vastustar Trading Private Limited	India	Property company	-	47%
Vasudhamaa Resources Pte Limited	Singapore	Property company	-	49%
Vasudhamaa Urja Private Limited	India	Property company	-	49%
Vedansh Builders Private Limited	India	Property company	-	49%
Vedansh Developers Private Limited	India	Property company	-	39%
Vedansh Infrastructure Private Limited	India	Property company	-	47%
Vedansh Real Estate Private Limited	India	Property company	-	39%
Worlds Window Agro Private Limited	India	Farming company	-	49%
Worlds Window Cabs Pvt Limited	India	Property company	-	49%
Worlds Window Developers Private Limited	India	Property company	-	39%
Worlds Window Ecotrade Pvt Limited	India	Property company	-	49%
Worlds Window Estate Private Limited	India	Property company	-	39%
Worlds Window Exim Private Limited	India	Property company	-	39%
Worlds Window Greenfield Private Limited	India	Property company	-	39%
Worlds Window Holding Private Limited	India	Holding company	-	49%
Worlds Window Impex Private Limited	India	Holding company	-	49%
Worlds Window Wardha Infrastructure Private Limited	India	Property company	-	49%
WW Ventures	USA	Property company	-	49%
WWG Foundation	India	Property company	-	49%
Worlds Window Farming Private Limited	India	Farming company	-	49%