

Company Registration No. 09564906 (England and Wales)

**KAS METAL HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**



# KAS METAL HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	K D Hook
<b>Company number</b>	09564906
<b>Registered office</b>	Unit J, Prestwich Industrial Estate Coal Pit Lane Atherton Manchester M46 0RY
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
<b>Business address</b>	Unit J, Prestwich Industrial Estate Coal Pit Lane Atherton Manchester M46 0RY
<b>Bankers</b>	HSBC Bank Plc 4 Hardman Square Manchester M3 3EB

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# KAS METAL HOLDINGS LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 2
Director's report	3
Director's responsibilities statement	4
Independent auditor's report	5 - 7
Group statement of comprehensive income	8
Group balance sheet	9
Company balance sheet	10
Group statement of changes in equity	11
Company statement of changes in equity	12
Group statement of cash flows	13
Notes to the financial statements	14 - 28

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# KAS METAL HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2020

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The director presents the strategic report for the year ended 31 July 2020.

#### **Fair review of the business**

During the year the group continued to buy and sell industrial scrap metals. The groups turnover decreased during the year which has resulted in a marginal decrease in profitability with the group recording an operating profit of £649,287 (2019 : £668,139).

At the year end the group assets exceeded its liabilities by £4,192,930 (2019 : £3,862,101).

The group did not cease any aspect of its trading in the year. The group continued during the year to build on its existing customer base, and expand its range of products and services progressing steadily with its planned expansion into new markets.

The director has assessed the main risks facing the group as being fluctuations in the currency markets and global economic uncertainties. The director believe that the quality of staff, products and services as well as its strong links with its customers will help mitigate these risks.

#### **Principal risks and uncertainties**

The group finances its operations through a mixture of retained profits and, where necessary to fund expansion or capital expenditure programmes, through bank borrowings.

Management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- Minimise the group's exposure to fluctuating interest rates when seeking borrowing; and
- Match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Where appropriate, funds are invested in sterling bank deposit accounts and borrowings are all obtained from standard bank loan accounts. As such, there is little price risk exposure.

Where appropriate, funds are held primarily in short-term variable rate deposit accounts. The directors believe that this gives them flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

#### **Other information and explanations**

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the group's financial performance, though are not easily forecasted. To date, the group has experienced a reduction in revenues but due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The group has sufficient financial resources available and the director believes that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the group's forecasts and projections, the director has a reasonable expectation that the group has adequate resources to continue operational existence for the foreseeable future. The director therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

# KAS METAL HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2020**

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On behalf of the board



K D Hook

Director

25/1/21

# KAS METAL HOLDINGS LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 31 JULY 2020**

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The director presents his annual report and financial statements for the year ended 31 July 2020.

### Principal activities

The principal activity of the company is that of a holding company to the group whose principal activity continued to be that of buying and selling of industrial scrap metal.

### Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

K D Hook

A K Scowcroft

P M Norris

(Resigned 9 November 2020)

(Appointed 1 September 2019 and resigned 31 July 2020)

### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £163,840. The director does not recommend payment of a further dividend.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



K D Hook

Director

Date: 25 JANUARY 2021

# **KAS METAL HOLDINGS LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2020***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# KAS METAL HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KAS METAL HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of KAS Metal Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.



# KAS METAL HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KAS METAL HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

# KAS METAL HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KAS METAL HOLDINGS LIMITED

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#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Stephen Grayson FCCA (Senior Statutory Auditor)  
For and on behalf of UHY Hacker Young Manchester LLP

25/1/21

Chartered Accountants  
Statutory Auditor

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

# KAS METAL HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2020 £	2019 £
Turnover	3	28,693,587	34,321,700
Cost of sales		(26,826,132)	(32,125,692)
<b>Gross profit</b>		<b>1,867,455</b>	<b>2,196,008</b>
Administrative expenses		(1,218,168)	(1,527,869)
<b>Operating profit</b>	4	<b>649,287</b>	<b>668,139</b>
Interest payable and similar expenses	8	(19,182)	(36,116)
<b>Profit before taxation</b>		<b>630,105</b>	<b>632,023</b>
Tax on profit	9	(135,436)	(138,233)
<b>Profit for the financial year</b>		<b>494,669</b>	<b>493,790</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# KAS METAL HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		207,863		249,436
Tangible assets	12		90,839		102,974
			<u>298,702</u>		<u>352,410</u>
<b>Current assets</b>					
Stocks	15	1,247,379		1,188,982	
Debtors	16	4,126,401		3,600,032	
Cash at bank and in hand		820,058		697,133	
		<u>6,193,838</u>		<u>5,486,147</u>	
<b>Creditors: amounts falling due within one year</b>	17	(2,291,765)		(1,905,487)	
<b>Net current assets</b>			<u>3,902,073</u>		<u>3,580,660</u>
<b>Total assets less current liabilities</b>			<u>4,200,775</u>		<u>3,933,070</u>
<b>Creditors: amounts falling due after more than one year</b>	18		-		(62,560)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	7,845		8,409	
		<u>7,845</u>	<u>(7,845)</u>	<u>8,409</u>	<u>(8,409)</u>
<b>Net assets</b>			<u><u>4,192,930</u></u>		<u><u>3,862,101</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		101		101
Share premium account			1,562,500		1,562,500
Profit and loss reserves			2,630,329		2,299,500
<b>Total equity</b>			<u><u>4,192,930</u></u>		<u><u>3,862,101</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25/1/21 and are signed on its behalf by:



K D Hook  
Director

# KAS METAL HOLDINGS LIMITED

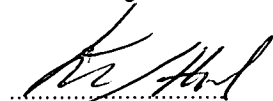
## COMPANY BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	13		3,134,584		3,134,584
<b>Current assets</b>		-		-	
<b>Creditors: amounts falling due within one year</b>	17	(837,528)		(772,446)	
<b>Net current liabilities</b>			(837,528)		(772,446)
<b>Total assets less current liabilities</b>			2,297,056		2,362,138
<b>Creditors: amounts falling due after more than one year</b>	18		-		(62,560)
<b>Net assets</b>			2,297,056		2,299,578
<b>Capital and reserves</b>					
Called up share capital	22		101		101
Share premium account			1,562,500		1,562,500
Profit and loss reserves			734,455		736,977
<b>Total equity</b>			2,297,056		2,299,578

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £161,318 (2019 - £171,050 profit).

The financial statements were approved by the board of directors and authorised for issue on 25/1/21 and are signed on its behalf by:



K D Hook  
Director

Company Registration No. 09564906

# KAS METAL HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2018</b>		101	1,562,500	1,990,664	3,553,265
<b>Year ended 31 July 2019:</b>					
Profit and total comprehensive income for the year		-	-	493,790	493,790
Dividends	10	-	-	(184,954)	(184,954)
<b>Balance at 31 July 2019</b>		101	1,562,500	2,299,500	3,862,101
<b>Year ended 31 July 2020:</b>					
Profit and total comprehensive income for the year		-	-	494,669	494,669
Dividends	10	-	-	(163,840)	(163,840)
<b>Balance at 31 July 2020</b>		101	1,562,500	2,630,329	4,192,930

# KAS METAL HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2018</b>		101	1,562,500	750,881	2,313,482
<b>Year ended 31 July 2019:</b>					
Profit and total comprehensive income for the year		-	-	171,050	171,050
Dividends	10	-	-	(184,954)	(184,954)
<b>Balance at 31 July 2019</b>		101	1,562,500	736,977	2,299,578
<b>Year ended 31 July 2020:</b>					
Profit and total comprehensive income for the year		-	-	161,318	161,318
Dividends	10	-	-	(163,840)	(163,840)
<b>Balance at 31 July 2020</b>		101	1,562,500	734,455	2,297,056

# KAS METAL HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	26	(343,782)		(84,006)	
Interest paid		(19,182)		(36,116)	
Income taxes paid		(132,608)		(283,134)	
<b>Net cash outflow from operating activities</b>		<u>(495,572)</u>		<u>(403,256)</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(49,392)		(86,769)	
Proceeds on disposal of tangible fixed assets		3,800		-	
Other investment and loans		(100,000)		-	
<b>Net cash used in investing activities</b>		<u>(145,592)</u>		<u>(86,769)</u>	
<b>Financing activities</b>					
Repayment of bank loans		(194,756)		(202,853)	
Dividends paid to equity shareholders		(163,840)		(184,954)	
<b>Net cash used in financing activities</b>		<u>(358,596)</u>		<u>(387,807)</u>	
<b>Net decrease in cash and cash equivalents</b>		<u>(999,760)</u>		<u>(877,832)</u>	
Cash and cash equivalents at beginning of year		695,939		1,573,771	
<b>Cash and cash equivalents at end of year</b>		<u><u>(303,821)</u></u>		<u><u>695,939</u></u>	
<b>Relating to:</b>					
Cash at bank and in hand		820,058		697,133	
Bank overdrafts included in creditors payable within one year		<u><u>(1,123,879)</u></u>		<u><u>(1,194)</u></u>	



# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2020**

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### **1 Accounting policies**

#### **Company information**

KAS Metal Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit J, Prestwich Industrial Estate, Coal Pit Lane, Atherton, Manchester, M46 0RY.

The group consists of KAS Metal Holdings Limited and its subsidiary, KAS Metal Trading Ltd.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated group financial statements consist of the financial statements of the parent company KAS Metal Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

KAS Metal Trading Ltd has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of KAS Metal Trading Ltd for the 12 month period.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the group's financial performance, though are not easily forecasted. To date, the group has experienced a reduction in revenues but due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The group has sufficient financial resources available and the director believes that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the group's forecasts and projections, the director has a reasonable expectation that the group has adequate resources to continue operational existence for the foreseeable future. The director therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25% straight line
Plant and equipment	33% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2020**

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### **1 Accounting policies**

**(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### **1.7 Fixed asset investments**

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.8 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

#### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.10 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2020

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#### 1 Accounting policies

(Continued)

##### 1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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

##### **Impairment of financial assets**

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.12 Equity instruments

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

### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Tangible fixed assets

Consideration has been given to any indicators of impairment of the groups assets. In considering this the directors have used their judgement and have considered the residual value of the assets.

#### Stock

The carrying value of stock held for sale is assessed by management using judgement on current market conditions to estimate the carrying value and any provisions required.

### 3 Turnover

	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	8,276,602	9,109,973
Europe	4,053,595	5,762,970
Rest of World	16,363,390	19,448,757
	<u>28,693,587</u>	<u>34,321,700</u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	61,527	59,672
Profit on disposal of tangible fixed assets	(3,800)	-
Amortisation of intangible assets	<u>41,573</u>	<u>41,573</u>

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	1,000	1,500
Audit of the financial statements of the company's subsidiaries	9,000	8,948
	<u>10,000</u>	<u>10,448</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and distribution	<u>19</u>	<u>19</u>	<u>3</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	592,265	632,763	-	-
Social security costs	63,734	64,792	-	-
Pension costs	11,719	13,042	-	-
	<u>667,718</u>	<u>710,597</u>	<u>-</u>	<u>-</u>

### 7 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	129,161	125,208
Company pension contributions to defined contribution schemes	5,600	-
	<u>134,761</u>	<u>125,208</u>

### 8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	<u>19,182</u>	<u>36,116</u>



# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 9 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	136,000	132,698
Adjustments in respect of prior periods	-	19
	<u>136,000</u>	<u>132,717</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(564)	5,516
	<u>(564)</u>	<u>5,516</u>
<b>Total tax charge</b>	<u>135,436</u>	<u>138,233</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	<u>630,105</u>	<u>632,023</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	119,720	120,084
Tax effect of expenses that are not deductible in determining taxable profit	9,423	10,838
Adjustments in respect of prior years	-	19
Group relief	(479)	-
Amortisation on assets not qualifying for tax allowances	7,899	7,899
Deferred tax adjustments in respect of prior years	(1,127)	(607)
	<u>135,436</u>	<u>138,233</u>
<b>Taxation charge</b>	<u>135,436</u>	<u>138,233</u>

### 10 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	<u>163,840</u>	<u>184,954</u>

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 August 2019 and 31 July 2020	415,728
<b>Amortisation and impairment</b>	
At 1 August 2019	166,292
Amortisation charged for the year	41,573
At 31 July 2020	207,865
<b>Carrying amount</b>	
At 31 July 2020	207,863
At 31 July 2019	249,436

The company had no intangible fixed assets at 31 July 2020 or 31 July 2019.

### 12 Tangible fixed assets

Group	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 August 2019	70,294	369,731	126,866	15,037	581,928
Additions	-	38,663	10,729	-	49,392
At 31 July 2020	70,294	408,394	137,595	15,037	631,320
<b>Depreciation and impairment</b>					
At 1 August 2019	62,372	290,762	117,988	7,832	478,954
Depreciation charged in the year	3,553	48,573	5,642	3,759	61,527
At 31 July 2020	65,925	339,335	123,630	11,591	540,481
<b>Carrying amount</b>					
At 31 July 2020	4,369	69,059	13,965	3,446	90,839
At 31 July 2019	7,922	78,969	8,878	7,205	102,974

The company had no tangible fixed assets at 31 July 2020 or 31 July 2019.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14	-	-	3,134,584	3,134,584

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2019 and 31 July 2020	3,134,584
<b>Carrying amount</b>	
At 31 July 2020	3,134,584
At 31 July 2019	3,134,584

### 14 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct	Indirect
KAS Metal Trading Limited	England and Wales	Buying and selling of industrial scrap metal	Ordinary	100.00	-

### 15 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	1,247,379	1,188,982	-	-

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 16 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,070,538	2,494,068	-	-
Corporation tax recoverable	18,138	18,138	-	-
Other debtors	566,409	526,981	-	-
Prepayments and accrued income	471,316	560,845	-	-
	<u>4,126,401</u>	<u>3,600,032</u>	<u>-</u>	<u>-</u>

### 17 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	19	1,123,879	133,390	-	132,196
Trade creditors		970,339	1,414,462	-	-
Amounts owed to group undertakings		-	-	837,528	480,010
Corporation tax payable		136,090	132,698	-	-
Other taxation and social security		25,899	17,463	-	-
Other creditors		2,945	164,911	-	160,240
Accruals and deferred income		32,613	42,563	-	-
		<u>2,291,765</u>	<u>1,905,487</u>	<u>837,528</u>	<u>772,446</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	19	-	62,560	-	62,560
		<u>-</u>	<u>62,560</u>	<u>-</u>	<u>62,560</u>

### 19 Loans and overdrafts

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans	-	194,756	-	194,756
Bank overdrafts	1,123,879	1,194	-	-
	<u>1,123,879</u>	<u>195,950</u>	<u>-</u>	<u>194,756</u>
Payable within one year	1,123,879	133,390	-	132,196
Payable after one year	-	62,560	-	62,560
	<u>-</u>	<u>62,560</u>	<u>-</u>	<u>62,560</u>

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 19 Loans and overdrafts

(Continued)

Bank loans and overdrafts are secured by a fixed and floating charge over the assets and undertakings of the group.

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Group</b>		
Accelerated capital allowances	7,845	8,409

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
<b>Movements in the year:</b>		
Liability at 1 August 2019	8,409	-
Credit to profit or loss	(564)	-
Liability at 31 July 2020	7,845	-

### 21 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	11,719	13,042

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 22 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	101	101	101	101

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 23 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	108,560	105,131	-	-
Between two and five years	439,113	445,538	-	-
In over five years	257,250	343,000	-	-
	<u>804,923</u>	<u>893,669</u>	<u>-</u>	<u>-</u>

### 24 Directors' transactions

Advances or credits have been granted by the group to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
K D Hook - loan	-	-	100,000	100,000
		<u>-</u>	<u>100,000</u>	<u>100,000</u>

The above loan was unsecured and was interest free, and will be repaid within 9 months of the year end.

### 25 Controlling party

The company is controlled by K D Hook, director of the company.

# KAS METAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 26 Cash absorbed by group operations

	2020 £	2019 £
Profit for the year after tax	494,669	493,790
<b>Adjustments for:</b>		
Taxation charged	135,436	138,233
Finance costs	19,182	36,116
Gain on disposal of tangible fixed assets	(3,800)	-
Amortisation and impairment of intangible assets	41,573	41,573
Depreciation and impairment of tangible fixed assets	61,527	59,672
<b>Movements in working capital:</b>		
Increase in stocks	(58,397)	(145,857)
Increase in debtors	(426,369)	(1,068,944)
(Decrease)/increase in creditors	(607,603)	361,411
<b>Cash absorbed by operations</b>	<b>(343,782)</b>	<b>(84,006)</b>

### 27 Analysis of changes in net funds/(debt) - group

	1 August 2019 £	Cash flows £	31 July 2020 £
Cash at bank and in hand	697,133	122,925	820,058
Bank overdrafts	(1,194)	(1,122,685)	(1,123,879)
	695,939	(999,760)	(303,821)
Borrowings excluding overdrafts	(194,756)	194,756	-
	501,183	(805,004)	(303,821)