
LOWES METALS AND RECYCLING LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 MARCH 2020

LOWES METALS AND RECYCLING LTD
REGISTERED NUMBER: 11284770

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	2,208,333	2,375,000
Tangible assets	5	3,284,290	2,858,931
		<u>5,492,623</u>	<u>5,233,931</u>
Current assets			
Stocks		29,500	25,575
Debtors: amounts falling due within one year	6	78,349	3,210
Cash at bank and in hand	7	694,173	594,566
		<u>802,022</u>	<u>623,351</u>
Creditors: amounts falling due within one year	8	(455,510)	(404,189)
Net current assets		<u>346,512</u>	<u>219,162</u>
Total assets less current liabilities		<u>5,839,135</u>	<u>5,453,093</u>
Provisions for liabilities			
Deferred tax	9	(102,758)	(80,170)
		<u>(102,758)</u>	<u>(80,170)</u>
Net assets		<u><u>5,736,377</u></u>	<u><u>5,372,923</u></u>
Capital and reserves			
Called up share capital		23	23
Share premium account		5,366,659	5,366,659
Profit and loss account		369,695	6,241
		<u><u>5,736,377</u></u>	<u><u>5,372,923</u></u>

LOWES METALS AND RECYCLING LTD
REGISTERED NUMBER: 11284770

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 December 2020.

C Lowe
Director

A Lowe
Director

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

1. General information

Lowes Metals and Recycling Ltd ("the Company") is a private company limited by shares and incorporated in England & Wales. The address of the registered office is Leytonstone House, Hanbury Drive, Leytonstone, London, E11 1GA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 29 March 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	15	years
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2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Plant and machinery	-	15%	Reducing balance
Motor vehicles	-	25%	Reducing balance
Office equipment	-	33%	Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the period was 8 (2019 - 7).

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2019	2,500,000
At 31 March 2020	<u>2,500,000</u>
Amortisation	
At 1 April 2019	125,000
Charge for the period on owned assets	166,667
At 31 March 2020	<u>291,667</u>
Net book value	
At 31 March 2020	<u><u>2,208,333</u></u>

On 18 June 2018 the company acquired the assets, liabilities, business and goodwill of Lowes Metals, a partnership, in consideration for the issue of ordinary shares in the company to the proprietors of the partnership.

LOWES METALS AND RECYCLING LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 April 2019	2,350,158	492,792	131,297	275	2,974,522
Additions	450,393	140,200	4,167	-	594,760
At 31 March 2020	2,800,551	632,992	135,464	275	3,569,282
Depreciation					
At 1 April 2019	35,252	55,440	24,624	275	115,591
Charge for the period on owned assets	56,011	86,638	26,752	-	169,401
At 31 March 2020	91,263	142,078	51,376	275	284,992
Net book value					
At 31 March 2020	2,709,288	490,914	84,088	-	3,284,290

6. Debtors

	2020 £	2019 £
Trade debtors	78,349	3,210
	<u>78,349</u>	<u>3,210</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	694,173	594,566
	<u>694,173</u>	<u>594,566</u>

LOWES METALS AND RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

8. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£	£
Trade creditors	42,291	29,826
Corporation tax	131,674	44,313
Other taxation and social security	34,145	81,675
Other creditors	240,000	240,000
Accruals and deferred income	7,400	8,375
	455,510	<i>404,189</i>

9. Deferred taxation

	2020
	£
At beginning of year	(80,170)
Charged to profit or loss	22,588
At end of year	102,758

The provision for deferred taxation is made up as follows:

	2020
	£
Accelerated capital allowances	102,758
	(102,758)

10. Pension commitments

The company operates a defined contribution pension scheme. the assets of the scheme are held separately from those of the company in an independently administered fund. the pension cost charge represents contributions payable by the company to the fund and amounted to £1,306 (2019 - £761). No contributions were payable to the fund at the balance sheet date.

11. Related party transactions

During the period the company was charged £2,400 (2019 - £7,200) for rent and consultancy services by a partnership in which a director is a member. At the year end date £2,400 (2019 - £7,200) was owed by the company.

LOWES METALS AND RECYCLING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

12. Controlling party

The parent company is Lowes Metals Holdings Limited.

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