Registered No. 1510877

Metalor Technologies (UK) Limited

Reports and Financial Statements

31 December 2015

Directors
S A Burling
A de Montmollin
P Royer

Secretary
S A Burling

Auditors
Ernst & Young LLP
No. 1 Colmore Square
Birmingham B4 6HQ

Registered Office
74 Warstone Lane
Birmingham B18 6NG

Strategic Report

The directors present their strategic report for the year ended 31 December 2015.

Principal activities and review of the business

The company is a wholly owned subsidiary of Metalor Technologies International SA, and acts as principal in purchasing and selling of precious metal products which are sourced both externally and from within the Metalor Technologies group.

As previously reported the company has been subject to a review by HMRC in relation to VAT returns submitted in respect of periods up to and including 2012. The directors are pleased to report that these investigations and subsequent discussions with HMRC have now been concluded. Whilst the company has been unable to recover purchase input tax (VAT) in respect of certain goods and has been unable to sustain its treatment of certain sales as zero rated for VAT, the company has been able to resolve both matters without needing to make provision for any charge for interest or penalties. The amount disclosed under Note 4, and below, represents the difference between the provisions made in prior years and the final agreed amounts.

Once again the company has suffered from the dual impact of falling precious metal prices and volumes in 2015, giving a £41 million (20.5%) fall in turnover. As a result of this fall in turnover, and the final provision of £184k to settle the prior period VAT liability, there are losses at both operating and pre-tax level.

The company's key financial figures are detailed below:

	2015	*2014*	*Change*
	£000	*£000*	*%*
Turnover	162,000	203,670	(20.5)
Operating profit	(90)	387	(123.3)
Profit before taxation	(237)	224	(205.8)
Shareholders' funds	90	331	(72.8)

The figures for 2014 have been restated to reflect the transition to FRS 101, for more details refer to note 18.

Principal risks and uncertainties

The company has identified the principal risks that it faces, along with its policies to mitigate these risks as:

Foreign currency risk

The company buys and sells goods and services denominated in currencies other than sterling. As a result, the value of the business non-sterling denominated revenues, purchases, financial assets and liabilities and cash flows can be affected by movements in exchange rates. The principal exchange risk is managed at group level. All precious metal supplies are priced in the currency of the customer, and the majority of intercompany charges are in sterling.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Credit risk

In the normal course of business, the company sells items on deferred terms to other parties. Any risk associated with these third parties failing to honour their obligations arising from these transactions is minimised through rigorous credit control procedures with deferred terms only being granted to customers who demonstrate an appropriate payment history and satisfy other financial requirements. Individual exposures are continuously monitored on a customer by customer basis to ensure that exposure to bad debts is minimised. As a result of this, goods may sometimes only be supplied on a cash-with-order basis or supply declined entirely.

Metal price risk

In the normal course of business, the company and its customers and suppliers would be exposed to fluctuations in metal prices. The company mitigates this risk by operating on a consignment/leasing basis in respect of the fine metal content of inventories held in the UK and by the use of metal hedging to eliminate metal price fluctuations from overall transactions recorded by the company.

The company maintains metal accounts with its suppliers and qualifying customers on a consignment basis so that the risk of metal price movements does not lie with the company. These metal accounts are held off balance sheet as the principal risks relating to these financial statements are not borne by the company. The company is exposed to default risk on customer metal accounts in the event that metal owed to the company cannot be recovered. Where necessary, provision is held to cover this risk.

Funding and liquidity

The Company has entered into cash pooling arrangements with its parent company whereby certain bank balances are automatically transferred to, or from, the Company on a daily basis. The parent company continually monitors the financial position of the entity, its cash flows, liquidity position and borrowing facilities. As a consequence, the directors believe that the Company and the parent company are well placed to manage business risks successfully despite the current uncertain economic outlook. As described in the Going concern section of the Directors' report, the Company continues reply on financial support of its parent undertaking.

Brexit risk

Following the recent referendum which will result in the UK leaving the European Union, the directors will monitor the effects of the decision on the business but currently do not consider the decision to have significant impact on its day to day operation or future plans.

Signed on behalf of the directors

S. B

Steven Burling
Director

Date: 13/09/16

Directors' Report

The Directors present their report for the year ended 31 December 2015.

Results and dividends

The loss for the year after taxation amounted to £241,000 (2014: Profit £179,000). The directors do not recommend a final dividend. (2014: £nil).

Future developments

Trading continues to be challenging in the uncertain economic climate. In accordance with company policy a detailed forecast for 2016 was prepared in the third quarter of 2015 reflecting prevailing market conditions at that time and any anticipated developments. From this forecast and the results achieved to date, it is expected that the company will trade profitably in 2016 and into 2017.

Going concern

The company has undertaken a comprehensive financial forecast to September 2017. This has shown there is a strong financial base for the future. It is acknowledged there is an uncertain economic climate. However, there are opportunities in both the UK and overseas markets for the sale of current and newly developed products, which, within the group and the market, the company is recognised as having particular specialist expertise. Despite these indigenous business strengths and due to the nature of the set-up of the company and its operations, the company still relies on the continued financial support from Metalor Technologies International SA, its parent undertaking, to enable it to continue operating and meet its liabilities as they fall due. Such financial support is confirmed by the parent undertaking and the directors therefore considers it appropriate to prepare these financial statements on a going concern basis.

Directors

The directors who served the company during the year and up to date of this report were as follows:

S A Burling	
P Royer	
C Catoire	(Resigned 06 November, 2015)
A de Montmollin	(Appointed 06 November, 2015)

Format and presentation of 2015 statutory accounts

The company has prepared these accounts in accordance with the requirements of FRS 101 For the years up to 31st December 2014 the company published statutory accounts which complied with the requirements of UK GAAP, The comparative previous values in these accounts have been re-stated to meet the FRS 101 requirements as described in note 18.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' Report (continued)

Re-appointment of auditors

As the company has adopted the model articles contained in the 2006 Companies Act there is no requirement for an AGM, nor for the Auditors to be re-appointed annually.

Signed on behalf of the directors

S. B

Steven Burling
Director

Date: 13/09/16

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently; and

• make judgments and accounting estimates that are reasonable and prudent; and

• state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditors' report

to the members of Metalor Technologies (UK) Limited

We have audited the financial statements of Metalor Technologies (UK) Limited for the year ended 31 December 2015 which comprises of the Profit and Loss Account, the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors' and auditor

As explained more fully in the Statement of Directors' Responsibilities 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report (continued)

to the members of Metalor Technologies (UK) Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Andrew Merrick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
14 September 2016

Profit and loss account

for the year ended 31 December 2015

	Notes	*2015* *£000*	*2014* *£000*
Turnover	3	162,000	203,670
Change in stocks of finished goods and manufactured element of consigned goods		116	(43)
Raw materials and consumables		(158,566)	(199,609)
Other external charges		(2,323)	(2,441)
Staff costs	6	(1,235)	(1,171)
Depreciation	4	(82)	(19)
Operating profit/(loss)	4	(90)	387
Interest payable and similar charges	7	(147)	(163)
Profit/ (loss) on ordinary activities before tax		(237)	224
Tax	8	(4)	(45)
Profit/ (loss) for the financial year		(241)	179

All amounts relate to continuing activities.

Statement of total comprehensive income

for the year ended 31 December 2015

There are no items of other comprehensive income such that total comprehensive income equals the loss attributable to the shareholders of the company of £241,000 (2014: profit of £179,000) in the year ended 31 December 2015.

Balance sheet

at 31 December 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	316	382
Current assets			
Stocks	10	621	505
Debtors: amounts falling due more than one year	11	547	551
Debtors: amounts falling due within one year	11	3,642	4,281
Cash at bank and in hand		158	4,881
		4,968	10,218
Creditors: amounts falling due within one year	12	(5,194)	(10,269)
Net current (liabilities)/assets		(226)	(51)
Net assets		90	331
Capital and reserves			
Equity share capital	13	150	150
Retained earnings		(60)	181
Total Equity		90	331

These accounts were approved by the directors and authorised for issue on 13/09/16
and are signed on their behalf by:

S. Burling

Steven Burling
Director

Statement of changes in equity

at 31 December 2015

	Share capital £000	*Retained earnings £000*	*Total equity £000*
At 1 January 2014	150	2	152
Profit for the year	-	179	179
Total comprehensive income for the year	-	179	179
At 1 January 2015	150	181	331
Loss for the year	-	(241)	(241)
Total comprehensive loss for the year	-	(241)	(241)
At 31 December 2015	150	(60)	90

Notes to the financial statements

at 31 December 2015

1. General Information

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand Pounds Sterling (£000) except when otherwise indicated.

Basis of preparation

Metalor Technologies UK Limited (the 'Company') is a private limited company incorporated in England and Wales. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.' There material amendments on the adoption of FRS 101 are set out in note 18. The accounting policies which follow are those policies which apply in preparing the financial statements for the year ended 31 December 2015.

Disclosure exemptions

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. Transition tables showing all material adjustments are disclosed in note 18. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:
(a) the requirements of IAS 7 Statement of Cash Flows;
(b) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
(c) the requirements of IFRS7 'Financial Instruments';
(d) the requirements of paragraphs 91-99 of IFRS13 'Fair Value Measurement';
(e) the requirement in paragraph 38 of IAS1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS1;
(f) the requirements of paragraphs 10(d), 10(f), 16, 38A,38B-D, 40A-D, 111, and 134-136 of IAS1;
(g) the requirements of paragraphs 30 and 31 of IAS8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
(h) the requirements of paragraph 17 of IAS24 'Related Party Disclosures'.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements 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 key judgements that have had the most significant effect on amounts recognised in the financial statements are in relation to the level of provision held against stocks and debtors.

Going concern

Despite various commercial and operational strengths, due to the nature and operational structure of the company, the company relies on the continued financial support from Metalor Technologies International SA, its parent undertaking, to enable it to continue operating and meet its liabilities as they fall due. Such financial support is confirmed by the parent undertaking. Therefore, the financial statements of the company have been prepared on a going concern basis.

Notes to the financial statements

at 31 December 2015

2. Accounting policies

Tangible fixed assets

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

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life. Current rates of depreciation are as follows:

Freehold buildings	–	40 years
Plant and equipment	–	10-15 years
Fixtures and fittings	–	5–20 years
Motor vehicles	–	5-10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts and VAT. Where a contract for supply of goods on extended terms has been agreed, the revenue for these sales is recognised when the goods and services are delivered.

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

The principal benefits, and the risks inherent in these benefits, of holding the fine metal content of the consigned goods, are borne by the parent undertaking. Consequently only the manufactured element of consigned goods is recognised as an asset in the balance sheet of the company. A leasing charge on the fine metal content of such consignment stocks is paid to the parent undertaking and included within raw materials and consumables.

Work in progress

The manufactured element of consigned goods is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of the manufactured element of consigned goods.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. Accounting policies (continued)

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an un-discounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to other comprehensive income if it relates to items that are credited or charged to other comprehensive income. Otherwise income tax is recognised in the income statement.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Cash pooling

The Company is part of the cash pooling arrangement with parent company whereby certain cleared bank balances are automatically transferred to or from the Company on a daily basis and are accounted for as intra-group debtors or creditors as appropriate. Interest is calculated daily and the annual net interest receivable or payable is accounted for as intra-group interest receivable or payable in the profit and loss account as appropriate.

Interest-bearing borrowings

All interest-bearing borrowings are initially recognised at net proceeds. After initial recognition subsequent recognition is at amortised cost. Finance costs of debt are allocated over the term of the debt at the prevailing rate on the carrying amount. Interest on group short term borrowing is recognised as the income or expense accrues using the effective interest method.

Notes to the financial statements

at 31 December 2015

2. Accounting policies (continued)

Metal accounts and metal hedging

To the extent that the company has entered into a fixed commitment with fellow group companies to buy/sell fine metal at specified rates to meet known customer demand, that firm commitment is recorded as an asset/liability at the fixed metal price within inventory with a corresponding entry recorded within intercompany trading balances.

As a consequence of these consignment arrangements and the metal accounts operated by the company with third parties and with the parent undertaking, consignment stocks and metal account balances are held off balance sheet, except to the extent of metal hedging arrangements. Where the company considers that there is a default risk in relation to a customer's metal account or consignment stocks, appropriate provision is made and recorded within accruals and deferred income.

3. Turnover

In the opinion of the directors, the disclosure of the geographical analysis of turnover would be prejudicial to the interests of the company.

4. Operating Profit

This is stated after charging:

		2015	*2014*
		£000	*£000*
Auditors' remuneration	– audit services	39	39
	– taxation services	5	9
	– other services	3	2
Depreciation of owned fixed assets (note 9)		82	19
Leasing charges on consignment stock (group)		279	416
Operating lease rentals	– land and buildings	26	26
	– other	54	58
VAT cost provision		184	-

As previously reported the company has been subject to a review by HMRC in relation to VAT returns submitted in respect of periods up to and including 2012. The directors are pleased to report that these investigations and subsequent discussions with HMRC have now been concluded. Whilst the company has been unable to recover purchase input tax (VAT) in respect of certain goods and has been unable to sustain its treatment of certain sales as zero rated for VAT, the company has been able to resolve both matters without needing to make provision for any charge for interest or penalties. The amount disclosed above represents the difference between the provisions made in prior years and the final agreed amounts.

Notes to the financial statements

at 31 December 2015

5. Directors' remuneration

	2015	2014
	£000	£000
Remuneration to UK directors	107	103
Company contributions paid to defined contribution pension schemes	9	9

Remuneration to the company's non-UK directors is included within a management charge. The management charge in 2015 totalled £723,000 (2014: £936,000).

6. Staff costs

	2015	2014
	£000	£000
Wages and salaries	1,033	968
Social security costs	100	101
Other pension costs (note 14)	102	102
	1,235	1,171

The average monthly number of employees during the year was made up as follows:

	No.	No.
Staff	29	30

7. Interest payable and similar charges

	2015	2014
	£000	£000
Interest payable to other group companies	117	71
Interest payable to parties other than group companies	30	92
	147	163

8. Tax

(a) Tax on profits on ordinary activities

The tax charge is made up as follows:

	2015	2014
Current tax:		
UK corporation tax on the profit for the year	-	4
Over provision in prior years	-	(3)
Total current tax (note 8(b))	-	1
Deferred tax:		
Origination and reversal of timing differences	(57)	47
Effect of changes in tax rates	61	(3)
Total deferred tax (note 8(c))	4	44
Tax income in the income statement	4	45

Notes to the financial statements

at 31 December 2015

8. Tax (continued)

The standard rate of tax fell from 21% to 20% with effect from 1 April 2015, making the effective rate 20.25% for the year ended 31 December 2015.

It was announced in the Budget of 8 July 2015 that the UK corporation tax rate will reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015.

Deferred tax balances have been stated at a rate at which the items are expected to reverse in line with the dates noted above.

Further changes to the rate of UK corporation tax were proposed in the budget of 16 March 2016 to further reduce the rate from 1 April 2020 to 17%. As these changes were proposed subsequent to the balance sheet date and have not yet been substantively enacted, they are not reflected in these financial statements.

(b) Reconciliation of the total tax income

The tax income in the income statement differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.50%). The differences are reconciled below:

	2015	*2014*
	£000	*£000*
Profit/(Loss) on ordinary activities before tax	(237)	224
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.50%)	(48)	48
Effects of:		
Disallowed expenses and non-taxable income	(9)	3
Over provision in prior years	-	(3)
Tax rate changes	61	(3)
Total tax charged in the current year	4	45

(c) Deferred tax

	2015	*2014*
Deferred tax income in the income statement:	*£000*	*£000*
Deferred tax assets as at 01 Jan 2015	551	595
Deferred tax credited to the income statement	(4)	(44)
Deferred tax assets as at 31 December 2015 (note 8(d))	547	551

Deferred tax included in the Balance Sheet is as follows:

	2015	*2014*
Deferred tax asset:	*£000*	*£000*
Capital allowances in advance of depreciation	(29)	(41)
Other timing differences	-	592
Losses	576	
At 31 December	547	551

Notes to the financial statements

at 31 December 2015

9. Tangible fixed assets

	Freehold land and buildings	*Plant and machinery*	*Fixtures and fittings and motor vehicles*	*Total*
	£000	*£000*	*£000*	*£000*
Cost:				
At 1 January 2015	579	396	334	1,309
Additions	3	5	8	16
At 31 December 2015	582	401	342	1,325
Depreciation:				
At 1 January 2015	413	377	137	927
Provided during the year	10	2	70	82
At 31 December 2015	423	379	207	1,009
Net book value:				
At 31 December 2015	159	22	135	316
At 1 January 2015	168	16	198	382

Included within freehold land and buildings is land with a value of £30,000 (2014: £30,000) that is not depreciated.

10. Stocks

	2015	*2014*
	£000	*£000*
Manufactured element of consigned goods	621	505

The replacement cost of stocks approximates to the value at which they are stated in the financial statements. The company operates in the precious metals market whereby the fine metal content is dealt with on a consignment basis. As at 31 December, the consignment position based on year end metal prices was as follows:

	2015	*2014*
	£000	*£000*
Stock from parent undertaking	12,046	12,496
Stock from third parties	6,442	7,868
	18,488	20,364
Stock held at Metalor	18,004	19,659
Stock held at third parties	484	705
	18,488	20,364

This consignment stock forms part of the off balance sheet metal balances which, on a metal consignment basis, represent either a net asset or net liability.

Notes to the financial statements

at 31 December 2015

11. Debtors

Debtors: amounts falling due after more than one year:

	2015	2014
	£000	£000
Deferred tax asset (see note 8)	547	551

Debtors: amounts falling due within one year	2015	2014
	£000	£000
Trade debtors	2,803	2,804
Amounts due from group undertakings	49	21
Other debtors	790	1,456
	3,642	4,281

12. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Bank borrowings	477	6,577
Trade creditors	165	140
Amounts owed to group undertakings	833	3,287
Intercompany cash pool	3,389	-
Corporation tax	33	28
Other taxation and social security	35	9
Accruals and deferred income	262	228
	5,194	10,269

Bank borrowings of £477,000 (2014: £6,577,000) are repayable on demand and bear interest at LIBOR plus 1.5%

Amounts owed to group undertakings relate only to intergroup purchases. There was no intercompany loan balance owing to the immediate parent company at 31 December 2015 (31 December 2014: £2,000,000)

The group introduced a cash pool scheme for Euro and Sterling bank accounts in 2015, the scheme is administered by Deutsche Bank. The relevant bank accounts are cleared down, or topped up, to zero on a daily basis. A matching posting is made to the Euro and Sterling intercompany cash pooling accounts. Interest payments and charges are calculated using the daily Euro and Sterling Overnight Index Average with a spread of +1% for overdrawn balances and -0.1% for credit balances, and settled monthly

13. Issued share capital

Authorised, Allotted, called up and fully paid	*No.*	*2015 £000*	*No.*	*2014 £000*
Ordinary shares of £1 each	150,000	150	150,000	150

14. Pensions

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. Total contributions for the year amounted to £102,000 (2014: £102,000).

15. Other financial commitments

At 31 December 2015 the company has total future contractual commitments under non-cancellable operating leases as set out below:

	2015		*2014*	
	Land and buildings £000	*Other £000*	*Land and buildings £000*	*Other £000*
Within one year	26	37	25	54
In two to five years	60	36	68	66
In over five years	77	12	95	8
	163	85	188	128

16. Related party transactions

The company is a wholly owned subsidiary of Metalor Technologies International SA, the group financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 101 RDF from disclosing transactions with other wholly owned members or investees of the group.

17. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Metalor Technologies International SA, a company incorporated in Switzerland. The results of the company are consolidated in Metalor Technologies International SA. This is the only group into which the results of the company are consolidated. The group financial statements are available to the public and may be obtained from Route des Perveuils 8, 2074 Marin-Epagnier, Switzerland.

Astorg Partners, a private equity company based in Paris, hold the majority shares in Metalor Technologies International SA.

Notes to the financial statements

at 31 December 2015

18. FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP).

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014. The adjustments to FRS 101 are classified below under two headings; 'reclassifications' and 're-measurements'.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS1 'First time adoption of International Financial Reporting Standards'.

Reconciliation of equity as at 1 January 2014

	UK GAAP	Reclassifications	Re-measurements	IFRS
	£000	*£000*	*£000*	*£000*
Fixed assets				
Tangible assets	190	-	-	190
	190			
Current assets				
Stocks	548	-	-	548
Debtors: amounts failing due after more than one year		633	(38)	595
Debtors: amounts falling due within one year	5,783	(633)	190	5,340
Cash at bank	3,232	-	-	3,232
	9,563	-	152	9,715
Creditors: amounts falling due within one year	9,753	-	-	9,753
Net current assets	(190)	-	152	(38)
Net assets	-	-	152	152
Capital and reserves				
Equity share capital	150	-	-	150
Retained earnings	(150)	-	152	2
Total equity	-	-	152	152

Notes to the financial statements

at 31 December 2015

18 FRS 101 (continued)

Reconciliation of equity as at 31 December 2014

	UK GAAP	Reclassifications	Re-measurements	IFRS
	£000	*£000*	*£000*	*£000*
Fixed assets				
Tangible assets	382	-	-	382
	382	-	-	382
Current assets				
Stocks	505	-	-	505
Debtors: amounts failing due after more than one year	-	589	(38)	551
Debtors: amounts falling due within one year	4,680	(589)	190	4,281
Cash at bank	4,881	-	-	4,881
	10,066	-	152	10,218
Creditors: amounts falling due within one year	(10,269)	-	-	(10,269)
Net current assets	(203)	-	152	(51)
Net assets	179		152	331
Capital and reserves				
Equity share capital	150	-	-	150
Retained earnings	29	-	152	181
Total equity	179	-	152	331

There are no adjustments arising on adoption of FRS 101 which impact the profit and loss account for the year ended 31 December 2014, therefore no reconciliation has been presented.

The adjustments above comprise the following:

Reclassifications

Deferred tax assets

Under UK GAAP all deferred tax assets have been shown as current assets. Unless specific criteria are met, IAS 12 requires assets and liabilities to be reported gross as non-current assets and liabilities. At 31 December 2014 £589,000 (1 January 2014 - £663,000) has been re-classified from current to non-current assets.

Re-measurements

Provision for doubtful debts

Under UK GAAP the company recorded a general provision of £190k general bad debt provision to cover the default risk on precious metals which were given on consignment basis to customer. IAS 37 Provisions, Contingent Liabilities and Contingent Assets does not permit the creation of general provisions of this nature such that on transition the provision has been removed from the balance sheet. The provision was recorded at the same amount at 1 January and 31 December 2014.

Deferred taxation

The adjustment to the measurement of deferred tax reflects the tax consequences associated with the adjustment to the general provision for bad I debts noted above.