

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
FOR
BLYTH METALS LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2015**

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BLYTH METALS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS:

Mr P E Blyth
Dr N Blyth
Mrs D L Pears
Mrs P A Shepherd

SECRETARY:

Mrs P A Shepherd

REGISTERED OFFICE:

Carlton Industrial Estate
Carlton in Lindrick
Worksop
Nottinghamshire
S81 9LB

REGISTERED NUMBER:

01588420 (England and Wales)

SENIOR STATUTORY AUDITOR:

Andrew Cribb FCA

AUDITORS:

Smith Craven
Chartered Accountants
Statutory Auditors
Sidings House, Sidings Court, Lakeside,
Doncaster
South Yorkshire
DN4 5NU

BEYTH METALS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The company continued its principal activities throughout the year.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are split into financial and non-financial key performance indicators as set out below.

		2015	2014
Profit margins:	Gross profit margin	8.10%	5.93%
	Net profit margin	8.68%	4.81%
Liquidity ratios:	Current ratio	4.11:1	6.3:1
	Working capital on total assets		
Activity ratios:	Debtor days	82.5 days	64.8 days
	Creditor days	68.9 days	35.3 days
	Stock turnover	4.4 times in year	3.94 times in year
	Return on assets	11.77%	8.86%
Capital ratios:	Total assets/total liabilities	4.2:1	6.5:1
	Gearing/interest cover	The company has no borrowing other than normal credit taken from suppliers.	

Development and financial performance during the year

As reported in the profit and loss account the company revenue shows a decrease this year from £9,947,995 in 2014 to £7,669,979 in the current year, a decrease of 22.9%. The decrease is due to a drop in trade outside the UK, particularly sales into the United States of America.

Profit after tax has increased from £345,594 in 2014 to £519,970 in the current period. The increase in the profitability is due to the increased profit margins on sales. The company has achieved this by reducing its involvement in the more competitive lower gross profit margin market.

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end has increased from £5,396,926 at the 31 March 2014 to £5,656,163 at the current year end. This is an increase of £259,237 which is the amount of undistributed profits for the current year.

The company generated cash from operations, before financing, of £1,987,344 and invested £50,854 in fixed assets.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continually monitor the key risks facing the company together with assessing the controls used for monitoring these risks. The board of directors formally reviews the principal risks facing the business during the year.

The principal risks and uncertainties facing the company are as follows:

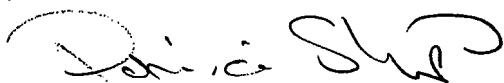
Economic progress - the company provides materials for iron and steel manufacturing industries. It maintains these relationships with its key customers in order to be able to identify the early signs of potential financial difficulties and declines in local business. Sales trends in its major markets are constantly reviewed in any sector.

Competitor pressure - the global market in which the company operates is considered to be competitive and therefore competitor pressure can result in losing sales. The company manages this risk by providing quality products and maintaining strong relations with its key customers.

Reliance on key suppliers - the company purchases products from all over the world but is currently reliant on certain suppliers giving rise to potential inflationary pricing pressure. The company manages this risk by monitoring its existing suppliers against other material suppliers and by seeking alternative suppliers that may be used, if necessary.

Loss of key personnel - the directors acknowledge that loss of key personnel would present significant operational difficulties for the company. Management seeks to ensure that key personnel are appropriately encouraged to ensure that good performance is recognised.

ON BEHALF OF THE BOARD:



Mrs P A Shepherd - Director

26 August 2015

BLYTH METALS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report with the financial statements of the company for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of metal alloy merchants. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's principal activities in the next year.

DIVIDENDS

Profits attributable to ordinary shareholders was £519,970 this year. Ordinary dividends of £260,733 were paid during the year. The parent company was paid £180,508 as its share of the dividends this year.

FUTURE DEVELOPMENTS

The directors consider the year to 31 March 2016 should continue to be profitable. They will continue to implement group management policies to assist them to meet any possible uncertainties in trade and the fluctuating rates of currency exchange in the forthcoming year.

The company will continue its current policy of direct contact with its customers to ensure personal service. The directors will continue to search for new products and markets within its industry to sustain its level of business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

Mr P E Blyth
Dr N Blyth
Mrs D L Pears
Mrs P A Shepherd

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company operates its own treasury function and is therefore responsible for managing the liquidity, interest and foreign currency risks associated with its trading activities. The company is self financing. The parent company determines the level of dividend payments to leave adequate cash funds for financing the business.

Liquidity risk

The company manages its own cash and borrowing facilities to maximise interest income and minimise interest expense, whilst ensuring that it has sufficient liquid resources to meet the operating needs of its business. Some facilities are obtained by support from the parent company.

Interest rate

The company is fortunate to have, on most occasions, net liquid funds to meet its day to day cash flow requirements. The company has borrowing arrangements in place to cover short-term overdraft requirements.

Foreign currency risk

The company's principal foreign currency exposures arise out of its requirements to pay for a substantial proportion of its purchases in foreign currencies. The company makes use of foreign exchange forward buying and selling contracts. Considerable trade is carried out, both purchases and sales, in US dollars. Money is transferred to the UK to take advantage of exchange rates.

Credit risk

All customers who wish to trade on credit terms with the company are subject to credit verification procedures.

Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts as appropriate.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS' INDEMNITY

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities that may arise in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the company's directors.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies (accounts and reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2 and 3.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

UK company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the maintenance and integrity of the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are not aware.

AUDITORS

The directors have appointed Smith Craven to act as auditors this year. They will continue in office in accordance with the Companies Act 2006 Section 487(2).

ON BEHALF OF THE BOARD:



Mrs P A Shepherd - Director

26 August 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BLYTH METALS LIMITED

We have audited the financial statements of Blyth Metals Limited for the year ended 31 March 2015 on pages seven to twenty one. 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).

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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 Strategic Report and the Report of the Directors to 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 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 March 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Andrew Cribb FCA (Senior Statutory Auditor)
for and on behalf of Smith Craven
Chartered Accountants
Statutory Auditors
Sidings House, Sidings Court, Lakeside,
Doncaster
South Yorkshire
DN4 5NU

26 August 2015

BLYTH METALS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
TURNOVER	2	7,669,979	9,947,995
Cost of sales		<u>(7,048,591)</u>	<u>(9,357,945)</u>
GROSS PROFIT		621,388	590,050
Administrative expenses		<u>(195,423)</u>	<u>(326,138)</u>
OPERATING PROFIT	5	425,965	263,912
Income from participating interests		206,419	181,910
Income from fixed asset investments	7	24,722	28,468
Interest receivable and similar income	8	<u>8,770</u>	<u>4,229</u>
		665,876	478,519
Interest payable and similar charges	9	<u>-</u>	<u>(196)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		665,876	478,323
Tax on profit on ordinary activities	10	<u>(145,906)</u>	<u>(132,729)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>519,970</u></u>	<u><u>345,594</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.


TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

BALANCE SHEET
31 MARCH 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	12	550	1,350
Tangible assets	13	87,728	92,466
Investments	14	<u>108,894</u>	<u>108,894</u>
		<u>197,172</u>	<u>202,710</u>
CURRENT ASSETS			
Stocks	15	1,732,302	2,525,115
Debtors	16	1,832,922	2,001,446
Investments	17	224,039	204,817
Cash at bank and in hand		<u>3,433,584</u>	<u>1,446,240</u>
		<u>7,222,847</u>	<u>6,177,618</u>
CREDITORS			
Amounts falling due within one year	18	<u>(1,755,945)</u>	<u>(976,381)</u>
NET CURRENT ASSETS		<u>5,466,902</u>	<u>5,201,237</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,664,074</u>	<u>5,403,947</u>
PROVISIONS FOR LIABILITIES	19	<u>(7,911)</u>	<u>(7,021)</u>
NET ASSETS		<u><u>5,656,163</u></u>	<u><u>5,396,926</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	11,000	11,000
Profit and loss account	21	<u>5,645,163</u>	<u>5,385,926</u>
SHAREHOLDERS' FUNDS	27	<u><u>5,656,163</u></u>	<u><u>5,396,926</u></u>

The financial statements were approved by the Board of Directors on 26 August 2015 and were signed on its behalf by:


Dr N Blyth – Director

BLYTH METALS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 £	2014 £
Net cash inflow from operating activities	1	2,010,499	522,996
Returns on investments and servicing of finance	2	239,911	214,411
Taxation		(113,265)	(163,245)
Capital expenditure	2	(50,354)	(66,094)
Equity dividends paid		<u>(80,225)</u>	<u>(76,719)</u>
		2,006,566	431,349
Financing	2	<u>(19,222)</u>	<u>(125,446)</u>
Increase in cash in the period		<u>1,987,344</u>	<u>305,903</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		1,987,344	305,903
Cash outflow from increase in liquid resources		<u>19,222</u>	<u>125,446</u>
Change in net funds resulting from cash flows		<u>2,006,566</u>	<u>431,349</u>
Movement in net funds in the period		2,006,566	431,349
Net funds at 1 April		<u>1,651,057</u>	<u>1,219,708</u>
Net funds at 31 March		<u>3,657,623</u>	<u>1,651,057</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	425,965	263,912
Depreciation charges	56,392	47,388
Profit on disposal of fixed assets	(500)	-
Decrease in stocks	792,813	162,140
Decrease in debtors	172,259	510,195
Increase/(decrease) in creditors	<u>563,570</u>	<u>(460,639)</u>
Net cash inflow from operating activities	<u>2,010,499</u>	<u>522,996</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	8,770	4,229
Interest paid	-	(196)
Dividends received	<u>231,141</u>	<u>210,378</u>
Net cash inflow for returns on investments and servicing of finance	<u>239,911</u>	<u>214,411</u>
 Capital expenditure		
Purchase of tangible fixed assets	(50,854)	(66,094)
Sale of tangible fixed assets	<u>500</u>	<u>-</u>
Net cash outflow for capital expenditure	<u>(50,354)</u>	<u>(66,094)</u>
 Financing		
Income from foreign partnership	<u>(19,222)</u>	<u>(125,446)</u>
Net cash outflow from financing	<u>(19,222)</u>	<u>(125,446)</u>

BLYTH METALS LIMITED**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015****3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.14 £	Cash flow £	At 31.3.15 £
Net cash:			
Cash at bank and in hand	<u>1,446,240</u>	<u>1,987,344</u>	<u>3,433,584</u>
	<u>1,446,240</u>	<u>1,987,344</u>	<u>3,433,584</u>
Liquid resources:			
Current asset investments	<u>204,817</u>	<u>19,222</u>	<u>224,039</u>
	<u>204,817</u>	<u>19,222</u>	<u>224,039</u>
Total	<u>1,651,057</u>	<u>2,006,566</u>	<u>3,657,623</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of sales and services to customers. The company does not enter into barter transactions.

Intangible assets

Intangible assets comprise website costs. These are shown at cost price less amortisation.

The amount of amortisation is included in the profit and loss account in equal instalments over the estimated useful life of the asset.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less depreciation and any provision for impairment.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on the following bases over their estimated useful lives.

The following depreciation rates are used:

Plant and machinery - 25% straight line basis.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Leases

Operating leases

The company has leases on the buildings occupied as its principal office for business purposes and on the processing works, with the parent company. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution value.

Investments held as current assets are stated at the lower of cost or net realisable value.

Impairment reviews have been carried out on the current asset investments comparing the carrying value to the net realisable value. No adjustments are required this year.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on the going concern basis.

The directors have a reasonable expectation that the company had adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for:

(i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and

(ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
UK sales	3,006,443	3,021,764
European sales	3,272,092	4,381,614
Other global sales	1,262,656	2,422,032
Management charges received	<u>128,788</u>	<u>122,585</u>
	<u>7,669,979</u>	<u>9,947,995</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	403,233	361,314
Social security costs	<u>37,174</u>	<u>34,337</u>
	<u>440,407</u>	<u>395,651</u>

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

	2015	2014
Materials processing	12	11
Administration	2	2
Directors	<u>2</u>	<u>2</u>
	<u>16</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

3. STAFF COSTS - continued

The above figures include directors costs.

In addition to the above costs the company provided certain employees with benefits in kind. These amounted to £726 for the year (£724 in 2014).

4. DIRECTORS' EMOLUMENTS

	2015 £	2014 £
Directors' remuneration	<u>59,590</u>	<u>58,136</u>

The chairman is remunerated by the parent company and does not receive any remuneration from this company.

In addition to the above the company has provided benefits in kind to the directors. The value of the benefits were £977 (£923 in 2014).

5. OPERATING PROFIT

(i) The profit on ordinary activities before taxation is stated after charging the following:

	2015 £	2014 £
Staff costs	440,407	395,651
Exchange losses	-	97,553
Depreciation of owned tangible fixed assets	55,592	46,588
Amortisation of intangible fixed assets	800	800
Rentals under operating leases - property	<u>20,000</u>	<u>20,000</u>

(ii) The profit on ordinary activities before taxation includes the following other operating income.

	2015 £	2014 £
Exchange gains	<u>10965</u>	-

6. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3,000</u>	<u>2,500</u>

7. INCOME FROM FIXED ASSET INVESTMENTS

	2015 £	2014 £
Dividend from Blyth Japan Limited	<u>24,722</u>	<u>28,468</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £	2014 £
Current asset bank deposit interest	8,347	4,229
Interest on corporation tax	<u>423</u>	<u>-</u>
	<u>8,770</u>	<u>4,229</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest	<u>-</u>	<u>196</u>

10. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	133,600	96,185
Prior year adjustment	11,416	29,686
	<u>145,016</u>	<u>125,871</u>
Deferred tax	890	6,858
	<u>145,906</u>	<u>132,729</u>
Tax on profit on ordinary activities	<u>145,906</u>	<u>132,729</u>

UK corporation tax has been charged at 21% (2014 - 23%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.

	2015 £	2014 £
Profit on ordinary activities	<u>665,876</u>	<u>478,323</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	<u>139,834</u>	<u>110,014</u>
Effects of:		
Expenses not deductible for tax purposes	377	197
Capital allowance in excess of depreciation	(1,331)	10,715
Notional tax on dividends and interest not taxable	(5,280)	(6,548)
Excess US withholding tax	<u>-</u>	<u>(18,193)</u>
Current tax charge	<u>133,600</u>	<u>96,185</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

11. DIVIDENDS

	2015	2014
	£	£
Ordinary shares of £1.00 each		
Final	<u>260,733</u>	<u>76,719</u>

12. INTANGIBLE FIXED ASSETS

	Website
	£
COST	
At 1 April 2014	
and 31 March 2015	<u>2,400</u>
AMORTISATION	
At 1 April 2014	1,050
Amortisation for year	<u>800</u>
At 31 March 2015	<u>1,850</u>
NET BOOK VALUE	
At 31 March 2015	<u>550</u>
At 31 March 2014	<u>1,350</u>

13. TANGIBLE FIXED ASSETS

	Plant and
	machinery
	£
COST	
At 1 April 2014	497,514
Additions	50,854
Disposals	<u>(4,800)</u>
At 31 March 2015	<u>543,568</u>
DEPRECIATION	
At 1 April 2014	405,048
Charge for year	55,592
Eliminated on disposal	<u>(4,800)</u>
At 31 March 2015	<u>455,840</u>
NET BOOK VALUE	
At 31 March 2015	<u>87,728</u>
At 31 March 2014	<u>92,466</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

14. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 April 2014 and 31 March 2015	<u>108,894</u>
NET BOOK VALUE	
At 31 March 2015	<u>108,894</u>
At 31 March 2014	<u>108,894</u>

The investment is stated at the cost price of £108,894 and comprises a 40% shareholding in Blyth & Co (Japan) Limited (£108,894 at 31 March 2014).

Based on the latest available accounts to 31 December 2014 the capital and reserves of the company at that date were £1,152,114 (£1,203,128 in 2013). The profit of the company, before taxation, for the year ended 31 December 2014 was £207,338 (£259,696 in 2013). Conversion from Yen to Sterling at 31 December 2014 was taken at Yen 187 to £1.

Blyth Metals Limited's 40% interest at 31 December 2014 were therefore:-

Capital and reserves	£460,845	(£481,251 in 2013)
Share of net profit before tax	£82,935	(£103,878 in 2013)

15. STOCKS

	2015 £	2014 £
Stocks	<u>1,732,302</u>	<u>2,525,115</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	1,734,680	1,766,293
Other debtors	3,735	58,339
Customs & Excise VAT	77,374	160,452
Prepayments and accrued income	<u>17,133</u>	<u>16,362</u>
	<u>1,832,922</u>	<u>2,001,446</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

17. CURRENT ASSET INVESTMENTS

The current asset investment is a 50% partnership share in a metal alloy business in the USA. This partnership is called Tophet-Blyth LLC. Blyth Metals Limited are entitled to one half share of the transactions during the year were as follows:

	2015 £	2014 £
Retained profits amount at 1 April 2014	204,817	79,371
Share of net profit for the year	206,419	181,910
Amounts drawn from partnership (including tax)	(187,197)	(40,001)
Currency adjustments	-	(16,463)
Net amount of retained profits at 31 March 2015	<u>224,039</u>	<u>204,817</u>

No impairment is required. The accumulation of retained profit at 31 March 2015 was converted to sterling in accordance with accounting policy (foreign currencies) and the adjustment has been treated as a currency adjustment.

The currency adjustment is dealt with in the profit and loss account.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	1,446,754	864,276
Amounts owed to group undertakings	285,535	105,027
Corporation tax	-	(35,486)
Social security and other taxes	8,640	9,618
Other taxation	6,957	27,110
Other creditors	<u>8,059</u>	<u>5,836</u>
	<u>1,755,945</u>	<u>976,381</u>

19. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
Accelerated capital allowances	<u>7,911</u>	<u>7,021</u>
		Deferred tax £
Balance at 1 April 2014		7,021
Deferred tax charge		<u>890</u>
Balance at 31 March 2015		<u>7,911</u>

The above relates wholly to timing differences between capital allowances and depreciation.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015 £	2014 £
Number:	Class:	Nominal value:		
11,000	Ordinary	£1.00	<u>11,000</u>	<u>11,000</u>

BLYTH METALS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015****21. RESERVES**

	Profit and loss account £
At 1 April 2014	5,385,926
Profit for the year	519,970
Dividends	<u>(260,733)</u>
At 31 March 2015	<u><u>5,645,163</u></u>

22. ULTIMATE PARENT COMPANY

E E Blyth & Co Limited is regarded by the directors as being the company's ultimate parent company.

The parent company is 99.1% owned by Mr P E Blyth who is also a director of Blyth Metals Limited. E E Blyth & Co Limited owns 88% of the voting shares of Blyth Metals Limited.

23. CONTINGENT LIABILITIES

Apart from the usual trade and banking contingencies, which are not material, the directors were not aware of any other contingent liabilities of the company as at 31 March 2015.

24. CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

25. OTHER FINANCIAL COMMITMENTS**Operating lease/licence**

As at 31 March 2015 the company was committed to make the following payments in respect of leased property:-

	2015 £	2014 £
Operating licenses which are renewable annually	<u>20,000</u>	<u>20,000</u>

The licences are with the parent company.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015

26. RELATED PARTY DISCLOSURES

E E Blyth & Co Limited (Parent Company)

The following information is declared about transactions between the company and EE Blyth & Co Limited

	2015 £	2014 £
Rent paid to E E Blyth & Co Limited	20,000	20,000
Management services provided by the company to E E Blyth & Co Limited	37,903	37,454
Amount due by the company to E E Blyth & Co Limited	285,535	105,027

Blyth Marble Limited

Blyth Marble Limited is a related company for group and tax purposes. 89.8% of the voting share capital of this company was owned by E E Blyth & Co Limited at 31 March 2015. There is no trading between Blyth Marble Limited and Blyth Metals Limited. Some expenses are shared and recharged as appropriate. There was nothing material involved.

Blyth & Co (Japan) Limited

The company holds 40% of the voting power of Blyth & Co (Japan) Limited but can not exercise any control over that company. The company is not associated for tax purposes.

The following information is declared about the trading between the company and Blyth & Co (Japan) Limited.

	2015 £	2014 £
Purchases from Blyth & Co (Japan) Limited	1,362,543	2,113,510
Sales to Blyth & Co (Japan) Limited	352,060	536,728
Amount due by the company to Blyth & Co (Japan) Limited	251,846	95,949
Amount due to the company by Blyth & Co (Japan) Limited	100,789	122,449

Tophet-Blyth LLC

Tophet-Blyth LLC is a 50/50 partnership between Blyth Metals Limited and Tophet Corporation Inc (registered in USA). Blyth Metals Limited can not exercise control over the company. The company is not associated for tax purposes.

	2015 £	2014 £
Management services provided by the company to Tophet-Blyth LLC	90,885	85,131
Amount due from Tophet-Blyth LLC to the company	250,367	458,218
Sales to Tophet-Blyth LLC	694,245	1,468,810

Directors

During the year the following directors were paid dividends, as set out below, in their capacity as shareholders:

	2015 £	2014 £
Mrs P A Shepherd	40,113	38,359
Mrs D L Pears	40,112	38,360
	<u>80,225</u>	<u>76,719</u>

BLYTH METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2015**

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	519,970	345,594
Dividends	<u>(260,733)</u>	<u>(76,719)</u>
Net addition to shareholders' funds	259,237	268,875
Opening shareholders' funds	<u>5,396,926</u>	<u>5,128,051</u>
Closing shareholders' funds	<u><u>5,656,163</u></u>	<u><u>5,396,926</u></u>

BLYTH METALS LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£	£	£	£
Turnover				
Sales	7,541,191		9,825,410	
Admin Charge - Tophet	90,885		85,131	
Administration Charge - EEB	37,903		37,454	
		7,669,979		9,947,995
Cost of sales				
Opening stock	2,525,115		2,687,256	
Purchases	5,800,110		8,796,460	
Shrink wrap and strapping	10,295		8,019	
Repairs and consumables	33,792		37,971	
Wages	267,380		229,574	
Social security	23,733		20,407	
Rent of processing yard	12,000		12,000	
Health and safety costs	4,152		-	
Euro health & safety levies	15,485		-	
Alarm and security costs	371		196	
Fork Lift costs	6,357		15,453	
Rental of equipment	400		393	
Rates and water charges	5,940		6,276	
Heat, light and power	14,005		12,486	
Telephone	887		1,400	
Postages, printing and stationery	1,103		1,100	
Trade insurances	5,174		6,132	
Quality control	716		1,819	
Sundry expenses	1,282		1,390	
Depreciation of tangible fixed assets				
Plant and machinery	52,596		44,728	
	8,780,893		11,883,060	
Closing stock	(1,732,302)		(2,525,115)	
		7,048,591		9,357,945
GROSS PROFIT		621,388		590,050
Other income				
Interest in associate undertakings	206,419		181,910	
Dividend from Blyth Japan Limited	24,722		28,468	
Interest on tax payment	8,347		4,229	
Interest received on Corp tax overpayment	423		-	
		239,911		214,607
		861,299		804,657
Expenditure				
Wages	76,263		73,604	
Social security	7,285		8,030	
Rates and water	428		409	
Insurance	7,703		9,198	
Carried forward	91,679	861,299	91,241	804,657

This page does not form part of the statutory financial statements

BLYTH METALS LIMITED
**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015		2014	
	£	£	£	£
Brought forward	91,679	861,299	91,241	804,657
Light and heat	1,660		1,883	
Rent of office	8,000		8,000	
Costs of Singapore office	(49)		28,896	
Amortisation of intangible fixed assets				
Computer software	800		800	
Depreciation of tangible fixed assets				
Plant and machinery	2,996		1,860	
Profit/loss on sale of tangible fixed assets	(500)		-	
Directors' salaries	59,590		58,136	
Directors' social security	6,156		5,900	
Telephone	1,387		1,815	
Post and stationery	3,475		4,422	
Travelling	642		1,268	
Motor expenses	902		1,157	
Alarm and security costs	1,788		196	
Bad debts written off	-		1,983	
Sundry expenses	18,253		10,457	
Exchange losses	(10,965)		97,553	
Accountancy	3,408		2,401	
Auditors' remuneration	3,000		2,500	
		<u>192,222</u>		<u>320,468</u>
		669,077		484,189
Finance costs				
Bank charges	3,201		5,670	
Bank interest	-		196	
		<u>3,201</u>		<u>5,866</u>
NET PROFIT		<u><u>665,876</u></u>		<u><u>478,323</u></u>