

REGISTERED NUMBER: 01588420 (England and Wales)

STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
BLYTH METALS LIMITED

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BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

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FOR THE YEAR ENDED 31 MARCH 2018**

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BLYTH METALS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018**

DIRECTORS:

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 Robert CRIBB FCA

INDEPENDENT AUDITORS:

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their strategic report for the year ended 31 March 2018.

FAIR REVIEW OF THE BUSINESS

As reported in the profit and loss account the company revenue has shown an increase this year from £9,485,745 in 2017 to £11,673,743 in the current year, an increase of 23.07%. Profit after tax has increased from £937,037 in 2017 to £1,051,112 in the current period. The increase in the profitability continues to be due to the increase in sales.

The balance sheet shows that the company's net assets at the year end has increased from £6,347,366 at the 31 March 2017 to £7,172,978 at the current year end. This is an increase of £825,612 in the current year (£711,647 increase in the previous year). The company has generated cash and cash equivalents of £269,530 and invested £4,862 in fixed assets.

Overall, the directors are again highly satisfied by the results for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitor the key risks facing the company together with assessing the controls used for monitoring these risks.

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

Credit risk - the company has a policy that requires appropriate credit checks to be made on its customers. Regular reviews of customer accounts are made to ensure that payments are received within prearranged credit periods.

Economic risk - the company provides materials for the iron and steel manufacturing industries. It maintains close 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 to enable early action to be taken in the event of sales declining in any sector. The company has a close working relationship with its customers and therefore knows their needs. The company sources appropriate materials for its customers.


Competitor risk - the 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. The company realises its risk in currency fluctuations and manages its transactions to take advantage of any substantive movements.

Loss of key personnel - the directors acknowledge that loss of key personnel would present some operational difficulties for the company. Management seeks to ensure that key personnel are encouraged to ensure that good performance is recognised and also to encourage its existing employees to gain senior positions.

Key performance indicators - management regularly monitor the performance of the company. The key performance indicators used by management are turnover, profitability and cash flow. Management also review gross profit margins and stock holding levels to assess both profitability and liquidity.

ON BEHALF OF THE BOARD:


.....
Dr N Blyth - Director

Date: 28 August 2018

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

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.

RESULTS

The results for the year are set out on page 7.

DIVIDENDS

The profit attributable to ordinary shareholders was £1,051,112. An ordinary dividend of £225,500 was paid in respect of the 2017 results. The parent company is entitled to the whole of this dividend. The directors will be considering a dividend payment based on the results for the year ended 31 March 2018 but to date no amounts have been declared.

FUTURE DEVELOPMENTS

The market place is volatile and competitive. Predictions for the future are therefore difficult. The directors are happy that the year to 31 March 2019 should be similar to the year ended 31 March 2018. They will continue to implement group management policies which they consider will assist them to successfully overcome uncertainties in trade and in the fluctuating rates of currency exchange anticipated when the UK leaves the European Union.

The directors will continue to search for new products and markets within its industry to sustain its level of business.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 April 2017 to the date of this report.

Dr N Blyth
Mrs D L Pears
Mrs P A Shepherd
Mr P E Blyth resigned on 10 November 2017

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 they may incur 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

UK 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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; subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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. The directors are also responsible for the maintenance and integrity of the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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 of which the company's auditors are unaware. Additionally, the directors individually have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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:


.....
Dr N Blyth - Director

Date: 28 August 2018

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

Opinion

We have audited the financial statements of Blyth Metals Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Andrew Robert 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

Date: August 2018

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
TURNOVER	2	11,673,743	9,485,745
Cost of sales		(10,511,490)	(8,455,047)
GROSS PROFIT		1,162,253	1,030,698
Administrative expenses		(220,311)	(12,341)
OPERATING PROFIT		941,942	1,018,357
Income from participating interests		267,910	140,092
Income from fixed asset investments	6	-	31,859
Interest receivable and similar income	7	10,823	16,835
PROFIT BEFORE TAXATION	8	1,220,675	1,207,143
Tax on profit	10	(169,563)	(270,106)
PROFIT FOR THE FINANCIAL YEAR		1,051,112	937,037
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,051,112	937,037

The notes form part of these financial statements

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	24,697	47,461
Investments	14	108,894	108,894
		<u>133,591</u>	<u>156,355</u>
CURRENT ASSETS			
Stocks	15	2,518,150	2,153,634
Debtors	16	2,989,636	3,023,360
Investments	17	368,845	338,764
Cash at bank and in hand		4,095,317	3,825,787
		<u>9,971,948</u>	<u>9,341,545</u>
CREDITORS			
Amounts falling due within one year	18	(2,931,107)	(3,145,490)
NET CURRENT ASSETS		<u>7,040,841</u>	<u>6,196,055</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,174,432</u>	<u>6,352,410</u>
PROVISIONS FOR LIABILITIES	19	(1,454)	(5,044)
NET ASSETS		<u><u>7,172,978</u></u>	<u><u>6,347,366</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	11,000	11,000
Retained earnings	21	7,161,978	6,336,366
SHAREHOLDERS' FUNDS		<u><u>7,172,978</u></u>	<u><u>6,347,366</u></u>

The financial statements were approved by the Board of Directors on August 2018 and were signed on its behalf by:

.....
Dr N Blyth - Director

The notes form part of these financial statements

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	11,000	5,624,719	5,635,719
Changes in equity			
Dividends	-	(225,390)	(225,390)
Total comprehensive income	-	937,037	937,037
Balance at 31 March 2017	11,000	6,336,366	6,347,366
Changes in equity			
Dividends	-	(225,500)	(225,500)
Total comprehensive income	-	1,051,112	1,051,112
Balance at 31 March 2018	11,000	7,161,978	7,172,978

The notes form part of these financial statements

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	320,880	603,253
Tax paid		(295,140)	(125,978)
Net cash from operating activities		<u>25,740</u>	<u>477,275</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,862)	(28,299)
Sale of tangible fixed assets		-	14,150
Interest received		10,823	16,835
Dividends received		267,910	171,951
Net cash from investing activities		<u>273,871</u>	<u>174,637</u>
Cash flows from financing activities			
Income from foreign partnership		(30,081)	(77,392)
Intercompany loans		225,500	(324,610)
Equity dividends paid		(225,500)	(225,390)
Net cash from financing activities		<u>(30,081)</u>	<u>(627,392)</u>
Increase in cash and cash equivalents		<u>269,530</u>	<u>24,520</u>
Cash and cash equivalents at beginning of year	2	<u>3,825,787</u>	<u>3,801,267</u>
Cash and cash equivalents at end of year	2	<u><u>4,095,317</u></u>	<u><u>3,825,787</u></u>

The notes form part of these financial statements

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	1,220,675	1,207,143
Depreciation charges	27,626	33,582
Profit on disposal of fixed assets	-	(14,150)
Finance income	(278,733)	(188,786)
	969,568	1,037,789
Increase in stocks	(364,516)	(208,740)
Decrease/(increase) in trade and other debtors	33,724	(1,870,078)
(Decrease)/increase in trade and other creditors	(317,896)	1,644,282
Cash generated from operations	320,880	603,253

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	4,095,317	3,825,787

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	3,825,787	3,801,267

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES

Company information

Blyth Metals Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

1.1 Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

1.2 Revenue recognition

Revenue arises from the sale of goods and from services provided. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of goods and services rendered in the normal course of business, net of discounts and other sales related taxes.

Interest and dividend income is recognised when the right to receive the income has been established.

1.3 Intangible assets

Intangible assets comprise website costs. These are shown at cost price less amortisation and if appropriate less impairment.

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

1.4 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset on the following bases over their estimated useful lives.

Plant and machinery - 25% straight line basis.

1.5 Stocks

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

1.6 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

1.7 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES - continued

1.8 Post-employment benefits

The Company operates defined pension schemes.

Obligations for contributions to the defined contribution schemes are charged to profit or loss in the period to which the contributions relate.

1.9 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.10 Foreign exchange

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

1.11 Judgements and key sources of estimation uncertainty

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES - continued

1.12 Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds both basic and non-basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, trade and other creditors, derivative financial instruments and equity investments.

The company has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets - classified as basic financial instruments

Cash and cash equivalents - comprise cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other debtors - are recognised at the transaction price. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

At the end of each reporting year, the company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Equity investments are recognised at the transaction price.

Financial liabilities - classified as basic financial instruments

Trade and other creditors - are measured at the transaction price. Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Derivative financial instruments - classified as non-basic financial instruments

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into.

1.13 Impairment of assets

At each reporting end date, the company reviews the carrying value of its assets and liabilities to determine whether there is any indication that those assets or liabilities have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

2. TURNOVER

An analysis of the company's revenue by class and category of business is as follows:-

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

	2018 £
Sales of metal alloys	11,531,363
Administration services provided	<u>142,380</u>
	<u>11,673,743</u>

An analysis of turnover by geographical market for the year ended 31 March 2018

	2018 %	2018 £
UK sales	31.33	3,657,140
European sales	48.94	5,713,665
Other global sales	18.51	2,160,558
Management charges received	<u>1.22</u>	<u>142,380</u>
	<u>100.00</u>	<u>11,673,743</u>

3. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	476,380	446,190
Social security costs	41,286	41,998
Other pension costs	<u>2,227</u>	<u>220</u>
	<u>519,893</u>	<u>488,408</u>

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

	2018	2017
Materials processing	14	13
Administration	2	2
Directors	<u>2</u>	<u>2</u>
	<u>18</u>	<u>17</u>

The above figures include paid directors costs.

In addition to the above costs the company provided certain employees with benefits in kind. These amounted to £1,819 for the year (£1,800 in 2017).

4. DIRECTORS' EMOLUMENTS

	2018 £	2017 £
Directors' remuneration	93,877	90,877
Directors' pension contributions to money purchase schemes	<u>337</u>	<u>25</u>

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

4. DIRECTORS' EMOLUMENTS - continued

In addition to the above the company has provided benefits in kind to the Directors. The value of the benefits were £780 (£1,028 in 2017).

5. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Non taxable interest	<u>1,077</u>	<u>-</u>

6. INCOME FROM FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Dividend from Blyth Japan Limited	<u>-</u>	<u>31,859</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£	£
Deposit account interest	9,746	16,835
Non taxable interest	<u>1,077</u>	<u>-</u>
	<u>10,823</u>	<u>16,835</u>

8. PROFIT BEFORE TAXATION

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	27,627	33,482
Profit on sale of fixed assets	-	14,150
Website amortisation	-	100
Exchange losses/(gains)	<u>35,602</u>	<u>(225,668)</u>

9. AUDITORS' REMUNERATION

	2018	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3,050</u>	<u>3,050</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

10. TAXATION

Analysis of the tax charge

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

	2018 £	2017 £
Current tax		
UK corporation tax	235,425	232,584
Prior year adjustment	<u>(62,272)</u>	<u>35,187</u>
	173,153	267,771
Deferred tax	<u>(3,590)</u>	<u>2,335</u>
Tax on profit	<u>169,563</u>	<u>270,106</u>

UK corporation was charged at 19% this year (20% in 2017).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. An explanation of this is as follows:

	2018 £	2017 £
Profit on ordinary activities	<u>1,220,675</u>	<u>1,207,143</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	231,928	241,429
Effects of:		
Expenses not deductible for tax purposes	89	212
Capital allowance in excess of depreciation	3,613	(2,685)
Notional tax on dividends and interest not taxable	-	(6,372)
Interest not taxable	<u>(205)</u>	<u>-</u>
Current tax charge	<u>235,425</u>	<u>232,584</u>

11. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1.00 each		
Final	<u>225,500</u>	<u>225,390</u>

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

12. INTANGIBLE FIXED ASSETS

	Website £
COST	
At 1 April 2017	
and 31 March 2018	<u>2,400</u>
AMORTISATION	
At 1 April 2017	
and 31 March 2018	<u>2,400</u>
NET BOOK VALUE	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

13. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 April 2017	558,543
Additions	4,862
At 31 March 2018	<u>563,405</u>
DEPRECIATION	
At 1 April 2017	511,082
Charge for year	27,626
At 31 March 2018	<u>538,708</u>
NET BOOK VALUE	
At 31 March 2018	<u>24,697</u>
At 31 March 2017	<u>47,461</u>

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

14. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 April 2017 and 31 March 2018	<u>108,894</u>
NET BOOK VALUE	
At 31 March 2018	<u>108,894</u>
At 31 March 2017	<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 2017).

Based on the latest available accounts to 31 December 2017 the capital and reserves of the company at that date were £1,580,214 (£1,502,309 in 2016). The profit of the company, before taxation, for the year ended 31 December 2017 was £202,518 (£208,670 in 2016). Conversion from Yen to Sterling at 31 December 2017 was taken at Yen 148.27 to £1.

Blyth Metals Limited 40% interest at 31 December 2017 was therefore:-

Capital and reserves	£632,086	(£600,924 in 2016)
Share of net profit before tax	£80,607	(£83,468 in 2016)

15. STOCKS

	2018 £	2017 £
Stocks	<u>2,518,150</u>	<u>2,153,634</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	2,469,160	2,811,307
Customs & Excise VAT	512,622	202,188
Prepayments and accrued income	7,854	9,865
	<u>2,989,636</u>	<u>3,023,360</u>

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

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 which, during the year, were as follows:

	2018 £	2017 £
Retained profits amount at 1 April 2017	338,764	261,373
Share of net profit for the year	267,910	160,092
Amounts drawn from partnership (including tax)	<u>(237,829)</u>	<u>(82,701)</u>
Net amount of retained profits at 31 March 2018	<u>368,845</u>	<u>338,764</u>

No impairment is required. The accumulation of retained profit at 31 March 2018 was converted to sterling in accordance with accounting policy (foreign currencies) and the adjustment has been treated as a currency adjustment.

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	2,102,525	2,421,163
Amounts owed to group undertakings	748,984	523,484
Corporation tax	43,540	165,527
Social security and other taxes	12,167	14,679
Other taxation	12,684	14,167
Other creditors	11,207	6,470
	<u>2,931,107</u>	<u>3,145,490</u>

19. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>1,454</u>	<u>5,044</u>
		Deferred tax
		£
Balance at 1 April 2017		5,044
Deferred tax charge		<u>(3,590)</u>
Balance at 31 March 2018		<u>1,454</u>

The rate of corporation tax for the purposes of this calculation was taken at 19%.
The above relates wholly to timing differences between capital allowances and depreciation.

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1.00	2018	2017
Number:	Class:		£	£
11,000	Ordinary		<u>11,000</u>	<u>11,000</u>

21. RESERVES

	Retained earnings £
At 1 April 2017	6,336,366
Profit for the year	1,051,112
Dividends	(225,500)
At 31 March 2018	<u>7,161,978</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. E E Blyth & Co Limited owns 100% of the voting shares of Blyth Metals Limited.

23. CONTINGENT LIABILITIES

As at 31 March 2018 there were the following contingent liabilities.

An indemnity has been given to bankers in respect of outstanding credits, forward currency contracts and acceptances.

The company has given its bankers a fixed and floating charge over certain of its assets. A contingent charge could arise if the bankers foreclose on its charges. The directors are not aware of any circumstances that could arise which would give its bankers cause to foreclose.

Apart from the above item and normal trade warranties the directors know of no other significant contingent liabilities as at 31 March 2018.

24. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

25. OTHER FINANCIAL COMMITMENTS

As at 31 March 2018 the company was committed to make the following payments, in the year to end 31 March 2019, under non-cancellable operating leases:-

	2018	2017
	£	£
Operating leases which expire within 2 to 5 years	<u>20,000</u>	<u>20,000</u>

The leases are with the parent company.

Bank borrowing and other credit facilities

The company has given charges to its bankers for various financial facilities. The charges are in the form of Debentures giving fixed and floating charges over certain assets of the company.

Any facilities in use can be repayable on demand.

BLYTH METALS LIMITED (REGISTERED NUMBER: 01588420)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018****26. RELATED PARTY DISCLOSURES****E E Blyth & Co Limited (Parent Company)**

	2018	2017
	£	£
Rent paid to E E Blyth & Co Limited	19,333	20,000
Management services provided by the company to E E Blyth & Co Limited	24,000	24,000
Amount due by the company to E E Blyth & Co Limited on loan account	<u>748,984</u>	<u>523,484</u>

Blyth Marble Limited

Blyth Marble Limited is a related company for group and tax purposes. 89.1% of the voting share capital of this company was owned by E E Blyth & Co Limited at 31 March 2018. 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.

	2018	2017
	£	£
Purchases from Blyth & Co (Japan) Limited	86,432	107,124
Sales to Blyth & Co (Japan) Limited	350,268	343,632
Amount due by the company to Blyth & Co (Japan) Limited	346,324	534,208
Amount due to the company by Blyth & Co (Japan) Limited	<u>97,536</u>	<u>108,217</u>

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.

The following information is declared about the trading between the company and Tophet-Blyth LLC

	2018	2017
	£	£
Management services provided by the company to Tophet-Blyth LLC	118,380	118,289
Sales to Tophet-Blyth LLC	962,903	847,425
Amount due from Tophet-Blyth LLC to the company for sales	<u>279,532</u>	<u>144,913</u>

27. POST EMPLOYMENT BENEFITS

The company makes contributions to defined pension schemes for all participating employees.

Contributions made into these schemes are at rates specified in the rules of those schemes. The total amount paid as recognised in the profit and loss account for the year was £2,227 (£220 in 2017).