

COMPANIES HOUSE COPY

Concorde Metals Recycling Limited

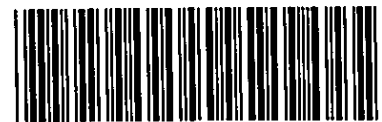
Report and Financial Statements

Year Ended

31 December 2011

Company Number 02132287

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COMPANIES HOUSE

Concorde Metals Recycling Limited

Report and financial statements for the year ended 31 December 2011

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Directors

A Montgomery
S Repetti
C Steenbergen

Secretary and registered office

S Repetti, Eurotrade Centre, Manorway North, Belvedere, Kent, DA17 6AZ

Company number

02132287

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Concorde Metals Recycling Limited

Report of the directors for the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year

The directors do not recommend the payment of a dividend

Principal activities, review of business and future developments

The company's principal activity is the purchase and sale of non-ferrous metal

Turnover decreased by 14% against 2010 levels to £59,025,047 (2010 £68,478,407) with a resulting operating loss of £555,228 (2010 profit £258,014)

UK sales increased by 10% to £6,271,190 (2010 £5,698,580) Internationally, sales to Europe decreased by 22% to £30,200,663 (2010 £38,501,081) and fell to the rest of the world by 7% to £22,553,194 (2010 £24,278,746)

The key reason behind the performance in 2011 was due to market conditions that remained challenging with continued volatility in world steel markets

Key performance indicators

The key performance indicators of the company are as follows

- Turnover
- Operating (loss)/profit
- Gross profit margin
- Margin per tonne by customer
- Margin per tonne by material type

Financial instruments

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, exchange rate risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs

The financial instruments used by the company arise wholly and directly from its activities and comprise of debtors, cash at bank, trade creditors and forward contracts. The company has put in place the following measures in order to manage the financial risks arising from these financial instruments

The company regularly monitors the level of its debtors, which includes a balance with its parent company and follows up any overdue balances

The company manages its cash position by regularly monitoring its cashflow using cashflow forecasting and variance analysis

All the risks arising from the possible non advance of credit by the company's trade creditors, either by exceeding the credit limit or not paying within the specified terms, is managed by regularly monitoring the trade balance and credit limit terms for all suppliers

All the risks arising from the possible fluctuations to metal prices and foreign exchange rates are hedged using forward contracts. Gains and losses on matured metal contracts and foreign exchange contracts are taken to the profit and loss account

Concorde Metals Recycling Limited

Report of the directors for the year ended 31 December 2011 (*continued*)

Directors

The directors of the company during the year were

A Montgomery
S Repetti
C Steenbergen

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable 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 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 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,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board


A Montgomery
Director

4 - 7 - 2012

Concorde Metals Recycling Limited

Independent auditor's report

To the members of Concorde Metals Recycling Limited

We have audited the financial statements of Concorde Metals Recycling Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2011 and of its loss 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 matters prescribed by the Companies Act 2006

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

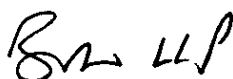
Concorde Metals Recycling Limited

Independent auditor's report *(continued)*

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



*Stephen Ward (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

4 Jul 2012

Concorde Metals Recycling Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	2	59,025,047	68,478,407
Cost of sales		57,767,367	66,279,940
Gross profit		1,257,680	2,198,467
Administrative expenses		1,812,908	1,940,453
Operating (loss)/profit	3	(555,228)	258,014
Interest payable and similar charges	6	(97,838)	(66,705)
(Loss)/profit on ordinary activities before taxation		(653,066)	191,309
Taxation on (loss)/profit on ordinary activities	7	159,840	(6,600)
(Loss)/profit on ordinary activities after taxation		(493,226)	184,709

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account


The notes on pages 8 to 18 form part of these financial statements

Concorde Metals Recycling Limited

Balance sheet at 31 December 2011

<i>Company number 02132287</i>	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	8		2,651,226		2,817,567
Current assets					
Stocks	9	2,368,374		2,967,936	
Debtors	10	4,132,188		4,790,826	
Cash at bank and in hand		1,549,432		728,056	
		<u>8,049,994</u>		<u>8,486,818</u>	
Creditors' amounts falling due within one year	11	<u>7,280,200</u>		<u>4,907,062</u>	
Net current assets			<u>769,794</u>		<u>3,579,756</u>
Total assets less current liabilities			<u>3,421,020</u>		<u>6,397,323</u>
Creditors: amounts falling due after more than one year	12		<u>2,013,846</u>		<u>4,496,923</u>
			<u>1,407,174</u>		<u>1,900,400</u>
Capital and reserves					
Called up share capital	14		1,100,000		1,100,000
Profit and loss account	15		307,174		800,400
Shareholders' funds	16		<u>1,407,174</u>		<u>1,900,400</u>

The financial statements were approved by the board of directors and authorised for issue on 4-7-2012


A. PONTACONNEY
Director

The notes on pages 8 to 18 form part of these financial statements

Concorde Metals Recycling Limited

Cashflow statement for the year ended 31 December 2011

	Note	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	20	903,561	(722,537)
Returns on investments and servicing of finance			
Interest paid other loans		(81,579)	(146,733)
Taxation			
Corporation tax reclaimed		200,151	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(17,680)	(4,570)
Cash inflow/(outflow) before use of financing		1,004,453	(873,840)
Financing			
Loans repaid		(183,077)	-
Increase/(Decrease) in cash	21	821,376	(873,840)

The notes on pages 8 to 18 form part of these financial statements

Concorde Metals Recycling Limited

Notes forming part of the financial statements for the year ended 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern

The financial statements of the company have been prepared on a going concern basis as the directors have produced and reviewed forecasts which show the company are able to work within its current facilities

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided net of discounts and excluding Value Added Tax

Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery for UK customers, and when the goods pass the ship's rail for overseas customers

Depreciation

Depreciation is provided to write off the cost of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates

Freehold property	- Useful economic life of 25 years
Improvements to buildings	- Straight line over remaining useful economic life of buildings
Plant and machinery	- 10% to 33% straight line
Fixtures and fittings	- 20% to 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal

Foreign currency

Foreign currency transactions are translated into sterling at the rates of exchange ruling at the balance sheet date. Foreign currency monetary assets and liabilities are retranslated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account

Financial instruments

The company uses forward contracts to hedge its exposure to fluctuations to metal price and foreign exchange movements. Gains and losses on matured metal and foreign exchange contracts are taken to the profit and loss account

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

1 Accounting policies (*continued*)

Leased assets

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2 Turnover

	2011 £	2010 £
Analysis by geographical market		
United Kingdom	6,271,190	5,698,580
Europe	30,200,663	38,501,081
Rest of the world	22,553,194	24,278,746
	<u>59,025,047</u>	<u>68,478,407</u>

Turnover is wholly attributable to the principal activity of the company.

3 Operating (loss)/profit

	2011 £	2010 £
This is arrived at after charging		
Depreciation of tangible fixed assets	184,021	232,031
Hire of plant and machinery - operating leases	57,499	83,803
Hire of other assets - operating leases	73,255	76,717
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	20,000	20,000
Loss on foreign exchange transactions	68,162	28,522
	<u></u>	<u></u>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

4 Employees

Staff costs (including directors) consist of

	2011 £	2010 £
Wages and salaries	702,012	860,638
Social security costs	69,549	85,961
Other pension costs	18,440	21,248
	<u>790,001</u>	<u>967,847</u>

The average number of employees (including directors) during the year was as follows

	2011 Number	2010 Number
Sales and Warehouse	17	19
Administration	12	13
	<u>29</u>	<u>32</u>

5 Directors' remuneration

	2011 £	2010 £
Directors' emoluments	58,350	132,201
Company contributions to money purchase pension schemes	1,930	3,517
Compensation for loss of office	-	29,550
	<u></u>	<u></u>

There was 1 director in the company's defined contribution pension scheme during the year (2010 - 2)

6 Interest payable and similar charges

	2011 £	2010 £
On other loans wholly repayable within five years	20,159	14,745
Loans from group companies	77,679	51,960
	<u>97,838</u>	<u>66,705</u>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

7 Taxation on (loss)/profit on ordinary activities

	2011 £	2010 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	(5,748)	6,600
Adjustment in respect of previous periods	(852)	-
	<hr/>	<hr/>
Total current tax	(6,600)	6,600
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(125,167)	-
Adjustment in respect of previous periods	(28,073)	-
	<hr/>	<hr/>
Movement in deferred tax provision	(153,240)	-
	<hr/>	<hr/>
Taxation on (loss)/profit on ordinary activities	(159,840)	6,600
	<hr/>	<hr/>

The tax assessed for the year is different than the standard rate of corporation tax in the UK applied to (loss)/profit before tax. The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(653,066)	191,309
	<hr/>	<hr/>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2010 - 28.0%)	(169,797)	53,567
Effect of		
Expenses not deductible for tax purposes	31,823	31,501
Depreciation for period in excess of capital allowances	17,363	5,046
Utilisation of tax losses	-	(83,514)
Adjustment to tax charge in respect of previous periods	(852)	-
Effect of change in tax rate in the year	231	-
Losses carried forward	114,632	-
	<hr/>	<hr/>
Current tax (credit)/charge for the year	(6,600)	6,600
	<hr/>	<hr/>

At 31 December 2011, the company has an unprovided deferred tax asset of £156,540 in respect of tax losses carried forward

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

8 Tangible fixed assets

	Freehold land and buildings £	Improvements to buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2011	2,711,347	615,295	708,502	78,643	4,113,787
Additions	-	-	17,680	-	17,680
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	2,711,347	615,295	726,182	78,643	4,131,467
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 January 2011	398,893	254,748	567,660	74,919	1,296,220
Provided for the year	106,454	40,698	33,145	3,724	184,021
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	505,347	295,446	600,805	78,643	1,480,241
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2011	2,206,000	319,849	125,377	-	2,651,226
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	2,312,454	360,547	140,842	3,724	2,817,567
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	2011 £	2010 £
Raw materials and consumables	2,368,374	2,967,936
	<hr/>	<hr/>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

10 Debtors

	2011 £	2010 £
Amounts receivable within one year		
Trade debtors	2,616,414	2,869,259
Amounts owed by group undertakings	620,622	910,742
Corporation tax recoverable	6,552	200,103
Other debtors	616,487	721,514
Prepayments and accrued income	115,573	85,908
	<hr/>	<hr/>
	3,975,648	4,787,526
Amounts receivable after more than one year		
Deferred taxation	156,540	3,300
	<hr/>	<hr/>
Total debtors	4,132,188	4,790,826
	<hr/>	<hr/>

	Deferred taxation £
At 1 January 2011	3,300
Utilised in year	153,240
	<hr/>
At 31 December 2011	156,540
	<hr/>

Deferred taxation

	2011 £	2010 £
The amount of deferred tax provided for is as follows		
Decelerated capital allowances	45,102	3,300
Unutilised tax losses	111,438	-
	<hr/>	<hr/>
	156,540	3,300
	<hr/>	<hr/>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (continued)

11 Creditors' amounts falling due within one year

	2011 £	2010 £
Intercompany loan	183,077	183,077
Trade creditors	3,425,872	4,098,163
Amounts owed to group undertakings	3,454,724	309,568
Other taxation and social security	25,830	42,444
Other creditors	24,488	54,431
Accruals and deferred income	166,209	219,379
	<u>7,280,200</u>	<u>4,907,062</u>

A first fixed and floating charge exists over the assets of Concorde Metals Recycling Limited

12 Creditors' amounts falling due after more than one year

	2011 £	2010 £
Intercompany loan	2,013,846	2,196,923
Amounts owed to group undertakings	-	2,300,000
	<u>2,013,846</u>	<u>4,496,923</u>

Maturity of debt

	Loans and overdrafts 2011 £	Loans and overdrafts 2010 £
In one year or less, or on demand	<u>183,077</u>	<u>183,077</u>
In more than one year but not more than two years	183,077	183,077
In more than two years but not more than five years	549,231	549,231
In more than five years	1,281,538	1,464,615
	<u>2,013,846</u>	<u>2,196,923</u>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

12 Creditors: amounts falling due after more than one year (*continued*)

Included in creditors due after more than one year are the following amounts repayable in more than five years

	2011 £	2010 £
Loans	1,281,538	1,464,615

The loans will be fully repaid on 06/05/2023. Interest is paid on these loans at 0.125% above LIBOR.

13 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. The pension charge amounted to £18,440 (2010 - £21,248). There were no outstanding contributions payable to the fund as at 31 December 2011.

14 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
200,000 Ordinary shares of £1 each	200,000	200,000
900,000 Zero Coupon redeemable preference shares of £1 each	900,000	900,000
	1,100,000	1,100,000

The Ordinary shares and the Zero-Coupon Redeemable Preference shares rank *pari-passu* in all respects except that the Zero Coupon Redeemable Preference shares

- May be redeemed all or part at par upon being given written notice by the company
- Entitle the holders to a return of the capital paid on a winding up or other repayment of capital in priority to any other class of shares
- Do not entitle the holder to a dividend
- Do not confer on the holders any further rights to participate in the profits or assets of the company
- Do not entitle the holders to receive notice of, attend, or to vote at any general meeting of the company, unless the meeting includes consideration of a resolution of the winding up, reduction in share capital or the sale of the undertaking of the company or if any resolution directly modifies or abrogates any of the special rights or privileges attached to them. In the case of any of these circumstances, the holders will be entitled to one vote for every Zero Coupon Preference share held.

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

15 Reserves

	Profit and loss account £
At 1 January 2011	800,400
Loss for the year	(493,226)
	<hr/>
At 31 December 2011	307,174
	<hr/>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
(Loss)/profit for the year	(493,226)	184,709
Opening shareholders' funds	1,900,400	1,715,691
	<hr/>	<hr/>
Closing shareholders' funds	1,407,174	1,900,400
	<hr/>	<hr/>

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
Operating leases which expire				
Within one year	-	8,565	-	4,244
In two to five years	80,000	57,847	80,000	54,625
	<hr/>	<hr/>	<hr/>	<hr/>
	80,000	66,412	80,000	58,869
	<hr/>	<hr/>	<hr/>	<hr/>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

18 Related party disclosures

The company is a wholly owned subsidiary of Metallum Holdings SA and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Metallum Holdings SA or other wholly owned subsidiaries within the group

19 Ultimate parent company

The immediate parent company is Metallo-Chimique N V, a company registered in Belgium. The ultimate parent company is Metallum Holdings S A, a company registered in Luxembourg.

20 Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities

	2011 £	2010 £
Operating (loss)/profit	(555,228)	258,014
Depreciation of tangible fixed assets	184,021	232,031
Decrease/(increase) in stocks	599,562	(1,006,559)
Decrease/(increase) in debtors	618,327	(46,586)
Increase/(decrease) in creditors	56,879	(159,437)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	903,561	(722,537)
	<hr/>	<hr/>

21 Reconciliation of net cash flow to movement in net debt

	2011 £	2010 £
Increase/(decrease) in cash	821,376	(873,840)
Cash inflow from changes in debt	183,077	-
	<hr/>	<hr/>
Movement in net debt	1,004,453	(873,840)
Opening net debt	(1,651,944)	(778,104)
	<hr/>	<hr/>
Closing net debt	(647,491)	(1,651,944)
	<hr/>	<hr/>

Concorde Metals Recycling Limited

Notes forming part of the financial statements
for the year ended 31 December 2011 (*continued*)

22 Analysis of net debt

	At 1 January 2011 £	Cash flow £	Other non- cash items £	At 31 December 2011 £
Cash at bank and in hand	728,056	821,376	-	1,549,432
Debt due within one year	(183,077)	183,077	(183,077)	(183,077)
Debt due after one year	(2,196,923)	-	183,077	(2,013,846)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(1,651,944)	1,004,453	-	(647,491)
	<hr/>	<hr/>	<hr/>	<hr/>