

COMPANY REGISTRATION NUMBER: 04278981

Global Metcorp Limited
Financial Statements
31 March 2019



Global Metcorp Limited

Financial Statements

Year ended 31 March 2019

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Global Metcorp Limited

Company information

The board of directors

Mr A Chaudhari
Mr R Choudhary
Mr G Chaudhary

Company secretary

Mr Ritesh Shah

Registered office

55 Lowlands Road
Grove House
Harrow On The Hill
Middlesex
HA1 3AW

Auditor

Grant Thornton UK LLP
Chartered Accountants & statutory auditor
30 Finsbury Square
London
EC2A 1AG

Bankers

Santander
4th Floor, Santander House
100 Ludgate Hill
London
EC4M 7RE

Barclays Bank plc
Acorn House
36 - 38 Park Royal Road
London
NW10 7JA

Lloyds TSB
25 Gresham Street
London
EC2V 7AE

HSBC UK Bank Plc
Level 28, 8 Canada Square
Canary Wharf
London
E14 5HQ

Global Metcorp Limited

Strategic Report

Year ended 31 March 2019

The Directors have pleasure in presenting their Strategic Report and the financial statements of Global Metcorp Ltd for the year ended 31st March 2019.

Principal activity and business review

The principal activity of the company continued to be that of a commodity trader.

The board of directors are satisfied with the performance of the company during the financial year ended 31st March 2019 and consider it operationally successful year.

During the year, turnover was increased by 8% compared to previous year. However, the market continued to be supply driven therefore the gross profit margin decreased from 0.9% in the previous year to 0.8% in the current year.

Key performance indicators

The directors have identified the following key performance indicators to help and understand and measure the performance of the company:

	2019	2018
	£	£
Revenue (In Millions)	381	354
Operating profit (In Millions)	2	2
Gross operating margin (%)	1	1
Trade debtor days	30	24
Trade creditor days	21	28
Current ratio	1	1

Future developments

Based on the current trading position, the board is optimistic that the company will deliver a good performance result in the coming year.

Global Metcorp Limited

Strategic Report *(continued)*

Year ended 31 March 2019

Financial risk management objectives and policies

All businesses are subject to risks and many individual risks are macro-economic or social and common across many businesses. The key risks are those which could materially damage the company's strategy, reputation, business, profitability or assets. The principal financial risks to which the company is exposed are those of liquidity, market condition, credit, cashflow and foreign currency. Each of these risks are managed in accordance with board approved policies which are set out below. This list is in no particular order and is not an exhaustive list of all potential risks. Some risks may be unknown and it may transpire that others currently considered immaterial become material.

Liquidity Risk:

The company manages liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements. Specifically, the company uses export line facility and forward exchange contract facility from a bank. The directors review the company's on going liquidity risks regularly and constantly keep a tab on debtors receivable and creditors payable.

Economic, market and price risk:

The company's performance is directly impacted by the economic environment. The company operates in a highly competitive market and price competition can adversely affect the company's result. The company endeavour to manage price risk by placing purchase order with supplier only after some degree of assurance is achieved for the sale of the goods being ordered. The company also aims to maintain only a minimum level of stock in hand.

Credit Risk:

The company is at risk of exposure to financial losses should a counter party fail to meet its obligations as and when they fall due. The credit risk is managed by setting credit limits as deemed appropriate for each customer. Where appropriate, the company endeavours to minimise risks by the use of trade finance instruments such as letters of credit.

Cash flow Risk:

The company is reliant on timely receipts from customers and short term borrowings from banks to manage its cash flow. The directors closely monitor and actively manage cash flow position.

Foreign currency Risk:

The company has transactional currency exposures arising from sales and purchases in foreign currencies. The company hedges some of the foreign currency risk by using forward exchange contracts and also by operating US dollar and Euro bank accounts to mitigate the exchange risk.

Going concern

The Directors, having reviewed the accounts and after making appropriate enquiries, consider that the company has adequate resources to continue in the operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Brexit

Directors have considered the impact of Britain leaving the European Union and customs union with or without a deal and have concluded that, since the company's source of revenue is from countries outside of the EU, the impact of Brexit on the business of the company will be insignificant.

Global Metcorp Limited

Strategic Report *(continued)*

Year ended 31 March 2019

This report was approved by the board of directors on 5 July 2019 and signed on behalf of the board by:



A Chaudhari
Director

Registered office:
55 Lowlands Road
Grove House
Harrow On The Hill
Middlesex
HA1 3AW

Global Metcorp Limited

Directors' Report

Year ended 31 March 2019

The directors present their report and the financial statements of the company for the year ended 31 March 2019.

Directors

The directors who served the company during the year were as follows:

Mr A Chaudhari
Mr R Choudhary
Mr G Chaudhary

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 27 to the financial statements.

Disclosure of information in the strategic report

In accordance with the requirements of the Companies Act 2006 (Strategic report and Directors' report Regulation 2013), the Strategic report has been provided in Pages 2 to 4 of these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 judgments and accounting 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 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.

Global Metcorp Limited

Directors' Report *(continued)*

Year ended 31 March 2019


Auditor

The directors confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board of directors on 5 July 2019 and signed on behalf of the board by:



A Chaudhari
Director

Registered office:
55 Lowlands Road
Grove House
Harrow On The Hill
Middlesex
HA1 3AW

Global Metcorp Limited

Independent Auditor's Report to the Members of Global Metcorp Limited

Year ended 31 March 2019

Opinion

We have audited the financial statements of Global Metcorp Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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.

Global Metcorp Limited

Independent Auditor's Report to the Members of Global Metcorp Limited (continued)

Year ended 31 March 2019

Other information

The directors are responsible for the other information. The other information comprises the information included in the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 in relation to which 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.

Global Metcorp Limited

Independent Auditor's Report to the Members of Global Metcorp Limited

(continued)

Year ended 31 March 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

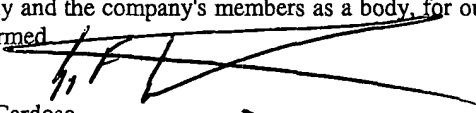
Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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 auditor's report.

Use of 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 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.



Sergio Cardoso
Senior Statutory Auditor

For and on behalf of
Grant Thornton UK LLP
Statutory auditor, Chartered Accountants
30 Finsbury Square
London
EC24 1AG

5th July 2019

Global Metcorp Limited
Statement of Comprehensive Income
Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	381,274,182	353,789,470
Cost of sales		<u>(378,260,874)</u>	<u>(350,657,950)</u>
Gross profit		3,013,308	3,131,520
Administrative expenses		<u>(1,123,588)</u>	<u>(1,152,334)</u>
Operating profit	5	1,889,720	1,979,186
Interest receivable	9	95,930	90,082
Interest payable	10	<u>(118,026)</u>	<u>(307,434)</u>
Profit before taxation		1,867,624	1,761,834
Taxation on ordinary activities	12	<u>(366,106)</u>	<u>(347,848)</u>
Profit for the financial year and total comprehensive income		<u>1,501,518</u>	<u>1,413,986</u>

All the activities of the company are from continuing operations.
There are no other comprehensive income for 2019 (2018: £Nil)

The notes on pages 14 to 26 form part of these financial statements.

Global Metcorp Limited
Statement of Financial Position
31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	37,621	30,868
Investments	15	50	50
		<u>37,671</u>	<u>30,918</u>
Current assets			
Stocks	16	6,742,591	8,452,775
Debtors	17	38,595,231	31,695,533
Cash at bank and in hand	18	1,273,970	1,411,293
		<u>46,611,792</u>	<u>41,559,601</u>
Creditors: amounts falling due within one year	19	<u>34,655,018</u>	<u>30,978,558</u>
Net current assets		<u>11,956,774</u>	<u>10,581,043</u>
Total assets less current liabilities		<u>11,994,445</u>	<u>10,611,961</u>
Creditors: amounts falling due after more than one year	20	458,000	458,000
Provisions			
Taxation including deferred tax	21	5,383	4,417
Net assets		<u>11,531,062</u>	<u>10,149,544</u>
Capital and reserves			
Called up share capital	24	250,600	250,600
Profit and loss account	25	11,280,462	9,898,944
Shareholders funds		<u>11,531,062</u>	<u>10,149,544</u>

These financial statements were approved by the board of directors and authorised for issue on 5 July 2019, and are signed on behalf of the board by:



A Chaudhari
Director

Company registration number: 04278981

The notes on pages 14 to 26 form part of these financial statements.

Global Metcorp Limited
Statement of Changes in Equity
Year ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2017	250,600	8,584,858	8,835,458
Profit for the year	<u> </u>	1,413,986	1,413,986
Total comprehensive income for the year	–	1,413,986	1,413,986
Dividends paid and payable	<u> </u>	(99,900)	(99,900)
Total investments by and distributions to owners	–	(99,900)	(99,900)
At 31 March 2018	250,600	9,898,944	10,149,544
Profit for the year	<u> </u>	1,501,518	1,501,518
Total comprehensive income for the year	–	1,501,518	1,501,518
Dividends paid and payable	<u> </u>	(120,000)	(120,000)
Total investments by and distributions to owners	–	(120,000)	(120,000)
At 31 March 2019	<u>250,600</u>	<u>11,280,462</u>	<u>11,531,062</u>

The notes on pages 14 to 26 form part of these financial statements.

Global Metcorp Limited

Statement of Cash Flows

Year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the financial year		1,501,518	1,413,986
<i>Adjustments for:</i>			
Depreciation of tangible assets		12,540	22,959
Interest receivable	9	(95,930)	(90,082)
Interest payable	10	118,026	307,434
Taxation on ordinary activities	12	366,106	347,848
Accrued expenses		1,553,007	
<i>Changes in:</i>			
Stocks		1,710,184	(3,824,776)
Trade and other debtors		(6,899,698)	11,168,773
Trade and other creditors		(5,639,657)	(704,718)
Cash generated from/(used in) operations		(7,373,904)	8,641,424
Interest paid		(118,026)	(307,434)
Interest received		95,930	90,082
Tax paid		(360,001)	(435,000)
Net cash (used in)/from operating activities		(7,756,001)	7,989,072
Cash flows from investing activities			
Purchase of tangible assets		(19,293)	(8,747)
Net cash used in investing activities		(19,293)	(8,747)
Cash flows from financing activities			
Proceeds from borrowings		(21,344)	(30,035)
Proceeds from loans from group undertakings		(30,572)	(37,758)
Proceeds from loans from participating interests		367,739	—
Dividends paid		(120,000)	(99,900)
Net cash from/(used in) financing activities		195,823	(167,693)
Net (decrease)/increase in cash and cash equivalents		(7,579,471)	7,812,632
Cash and cash equivalents at beginning of year		(1,438,847)	(9,251,479)
Cash and cash equivalents at end of year	18	(9,018,318)	(1,438,847)

The notes on pages 14 to 26 form part of these financial statements.

Global Metcorp Limited
Notes to the Financial Statements
Year ended 31 March 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 55 Lowlands Road, Grove House, Harrow On The Hill, Middlesex, HA1 3AW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Directors, having reviewed the accounts and after making appropriate enquiries, consider that the company has adequate resources to continue in the operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Foreign currencies

Foreign currency transactions are initially recorded in the presentational currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

The entity's functional currency is US Dollar and the presentational currency is Sterling. The entity has chosen Sterling as the presentational currency due to the fact that the company is owned by a parent company based in the UK.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. No significant judgements, estimates and assumptions were made, apart from those involving estimations that management has made in the process of applying the entity's accounting policies, that have a significant effect on the amounts recognised in the financial statements.

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 20% straight line
Fixture, fittings and equipment	- 25% reducing balance

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Global Metcorp Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2019

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	381,002,982	353,487,300
Interest	271,200	302,170
	<u>381,274,182</u>	<u>353,789,470</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2019	2018
	£	£
United Kingdom	913,826	3,766,759
Overseas	380,360,356	350,022,711
	<u>381,274,182</u>	<u>353,789,470</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	12,540	22,959
Impairment of trade debtors	101,006	132,124
	<u>113,546</u>	<u>155,083</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	24,000	13,000
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	—	4,000
	<u>—</u>	<u>4,000</u>

The prior year's audit fee was payable to the predecessor auditor, King & King.

7. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	14	14
Management staff	3	3
	<u>17</u>	<u>17</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

7. Particulars of employees *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	405,994	472,118
Social security costs	35,919	46,538
Other pension costs	3,811	1,835
	<u>445,724</u>	<u>520,491</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>30,000</u>	<u>30,000</u>

The highest paid Director received total remuneration of £15,000 (2018: £15,000). In addition this Director received pension contribution of £ Nil (2018: £Nil).

9. Interest receivable

	2019	2018
	£	£
Interest on loans and receivables	92,279	90,082
Interest on bank deposits	3,651	—
	<u>95,930</u>	<u>90,082</u>

10. Interest payable

	2019	2018
	£	£
Interest on banks loans and overdrafts	40,566	239,063
Dividends paid on shares classed as debt	54,960	54,960
Other interest payable and similar charges	22,500	13,411
	<u>118,026</u>	<u>307,434</u>

11. Exchange difference

Exchange difference recognised in Income Statement:

	2019	2016
	£	£
Exchange gain	<u>709,168</u>	<u>288,995</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

12. Taxation on ordinary activities

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	365,140	349,913
Deferred tax:		
Origination and reversal of timing differences	966	(2,358)
Impact of change in tax rate	–	232
Other component of deferred tax expense	–	61
Total deferred tax	<u>966</u>	<u>(2,065)</u>
Taxation on ordinary activities	<u>366,106</u>	<u>347,848</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>1,867,624</u>	<u>1,761,834</u>
Profit on ordinary activities by rate of tax	354,849	334,749
Adjustment to tax charge in respect of prior periods	–	(2,065)
Effect of expenses not deductible for tax purposes	11,822	12,767
Effect of capital allowances and depreciation	(565)	2,397
Tax on profit	<u>366,106</u>	<u>347,848</u>

13. Dividends

Equity dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Dividends on equity shares	<u>120,000</u>	<u>99,900</u>

Global Metcorp Limited
Notes to the Financial Statements (continued)
Year ended 31 March 2019

13. Dividends (continued)

Dividends on shares classed as debt

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Dividends on shares classed as debt	<u>54,960</u>	<u>54,960</u>

14. Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 April 2018	63,349	152,015	215,364
Additions	–	19,293	19,293
At 31 March 2019	<u>63,349</u>	<u>171,308</u>	<u>234,657</u>
Depreciation			
At 1 April 2018	63,349	121,147	184,496
Charge for the year	–	12,540	12,540
At 31 March 2019	<u>63,349</u>	<u>133,687</u>	<u>197,036</u>
Carrying amount			
At 31 March 2019	<u>–</u>	<u>37,621</u>	<u>37,621</u>
At 31 March 2018	<u>–</u>	<u>30,868</u>	<u>30,868</u>

15. Investments

	Other investments £
Cost	
At 1 April 2018 and 31 March 2019	<u>50</u>
Impairment	
At 1 April 2018 and 31 March 2019	<u>–</u>
Carrying amount	
At 31 March 2019	<u>50</u>
At 31 March 2018	<u>50</u>

Global Metcorp Limited
Notes to the Financial Statements (continued)

Year ended 31 March 2019

15. Investments (continued)

Investments in associates and joint ventures

The above investment represents 50% ownership in the ordinary share capital of Grove House Harrow Limited, a company incorporated in England & Wales. Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity. The company's interest in Grove House Harrow Limited will be consolidated in the group accounts of Greta Investments Ltd, the ultimate parent undertaking. During the year, the company did not receive any dividend income from Grove House Harrow Limited, hence no income has been recognised.

16. Stocks

	2019 £	2018 £
Finished goods	<u>6,742,591</u>	<u>8,452,775</u>

17. Debtors

	2019 £	2018 £
Trade debtors	30,580,059	23,117,456
Amounts owed by group undertakings	50,611	50,611
Amounts owed by related parties	1,668,222	–
Prepayments and accrued income	–	18,649
Directors loan account	–	130,000
Loan receivable	1,533,447	–
Other debtors	4,762,892	8,378,817
	<u>38,595,231</u>	<u>31,695,533</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	1,273,970	1,411,293
Bank overdrafts	<u>(10,292,288)</u>	<u>(2,850,140)</u>
	<u>(9,018,318)</u>	<u>(1,438,847)</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

19. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	10,292,288	2,850,140
Payments received on account	487,240	369,416
Trade creditors	20,786,569	25,646,921
Amounts owed to group undertakings	486,678	517,250
Amounts owed to related parties	367,739	–
Accruals and deferred income	1,572,507	19,500
Corporation tax	148,364	143,225
Social security and other taxes	10,288	10,762
Director loan accounts	–	21,344
Other creditors	503,345	1,400,000
	<u>34,655,018</u>	<u>30,978,558</u>

Bank loans and overdraft is secured by fixed and floating charge over the assets of the company and the assets of Ardour World Limited, a related company, and Grove House Harrow Limited, an associated company, by way of an unlimited cross guarantee. Mr A Chaudhari, a director, and Mr S Goyal, a director of Ardour World Ltd have also provided a joint personal guarantee of US\$500,000.

20. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Shares classed as financial liabilities	<u>458,000</u>	<u>458,000</u>

Shares classed as financial liabilities relates to non-cumulative redeemable preference shares which are redeemable before the year 2035 following a 3 months' notice period.

21. Provisions

	Deferred tax (note 22)
	£
At 1 April 2018	4,417
Additions	966
At 31 March 2019	<u>5,383</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 21)	<u>5,383</u>	<u>4,417</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	<u>5,383</u>	<u>4,417</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,811 (2018: £1,835).

24. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Amounts presented in equity:				
Ordinary shares of £1 each	<u>250,600</u>	<u>250,600</u>	<u>250,600</u>	<u>250,600</u>
Amounts presented in liabilities:				
Preference shares of £1 each	<u>458,000</u>	<u>458,000</u>	<u>458,000</u>	<u>458,000</u>

Ordinary shares

Ordinary shares have attached to them full voting, dividend and capital distribution rights, including on winding up.

Preference shares

Preference shares are non-cumulative shares and are redeemable at the option of the company on or before the year 2035 by giving a three months notice to shareholders. These shares do not confer voting rights and rights to capital distribution on winding up.

25. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Global Metcorp Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2019

26. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Not later than 1 year	34,250	20,500
Later than 1 year and not later than 5 years	129,962	16,288
	<u>164,212</u>	<u>36,788</u>

27. Events after the end of the reporting period

No reportable events have occurred after the date of the balance sheet.

28. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Chaudhari	130,000	110,000	(240,000)	—
Mr R Choudhary	(20,879)	—	20,879	—
Mr G Chaudhary	(465)	(38,975)	39,440	—
	<u>108,656</u>	<u>71,025</u>	<u>(179,681)</u>	<u>—</u>

	2018			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr A Chaudhari	(1,600)	178,000	(46,400)	130,000
Mr R Choudhary	(33,129)	—	12,250	(20,879)
Mr G Chaudhary	(16,500)	(465)	16,500	(465)
	<u>(51,229)</u>	<u>177,535</u>	<u>(17,650)</u>	<u>108,656</u>

Global Metcorp Limited
Notes to the Financial Statements *(continued)*
Year ended 31 March 2019

29. Related party transactions

The company has taken advantage of the exemption not to disclose balances or transactions with wholly owned members of Greta Investments Ltd, the ultimate parent undertaking.

Grove House Harrow Limited(GHHL) associate (50% holding) jointly owned by the company with Ardour World Limited. The company has acquired a short lease from GHHL its office premises at an annual rent of £68,500 (2018:£41,000) per annum in a joint tenancy with Ardour World Ltd. During the year the company paid £34,524 (2018: £32,000) to Grove House Harrow Ltd towards the rent and service charges for leased office premises, the balance outstanding at the year end was £9,600 (2018:Nil). During the year the company provided unsecured and interest free loan of £367,500 to GHHL. The balance of loan outstanding at the balance sheet date was £495,500 (2018:£128,000). During the year the company made and received various short term interest free loans to and from Ardour World Ltd. At the balance sheet date £Nil (2018:£845,890) was due and receivable.

During the year the company entered into sales and purchases transactions with companies over which a person with a significant control in the company has a significant control. Details of transactions and balances are as below:

	Total Sales	Total Purchases	Loans repaid/(given)	Balance due from/(to) 2019 £	Balance due from/(to) 2018 £
Sales	330,040	-	-	236,808	1,081,348
Purchases	-	35,484,147	-	(558,575)	(965,014)
Loans repaid/(given)	-	-	(156,326)	-	156,326

During the year the company paid dividends to the Directors and their close family members as follows:

A Chaudhari - Ordinary dividend - £120,000
R Choudhary - Preference dividend - £ 27,960
G Chaudhary - Preference dividend - £ 27,000

30. Ultimate parent company

Greta Investments Ltd is the ultimate parent company.

The largest and smallest group in which the result of the company are consolidated is headed by Greta Investments Limited, a company incorporated in England. The consolidated financial statements of this group will be publicly available at Companies House, Crown Way, Cardiff, CF14 3UZ.