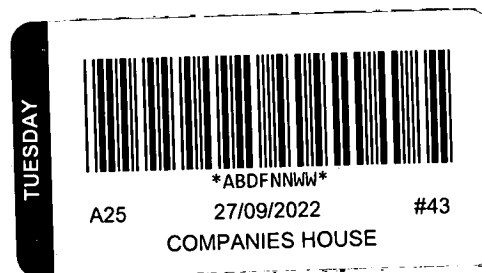


Registered number: 07467003

AMARI COPPER ALLOYS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



AMARI COPPER ALLOYS LIMITED

COMPANY INFORMATION

Directors N Murdoch (resigned 25 June 2021)
A Roberts
K Smith (appointed 25 June 2021)

Company secretary M Hale

Registered number 07467003

Registered office Parkway House
Unit 6 Parkway Industrial Estate
Pacific Avenue
Wednesbury
West Midlands
WS10 7WP

Independent auditor Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

AMARI COPPER ALLOYS LIMITED

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AMARI COPPER ALLOYS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £191,976 (2020: £28,389).

The directors did not recommend the payment of a dividend (2020: Nil).

Directors

The directors who served during the year were:

N Murdoch (resigned 25 June 2021)
A Roberts
K Smith (appointed 25 June 2021)

AMARI COPPER ALLOYS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management objectives and policies

The Company uses a variety of financial instruments including cash, borrowings, equity investments and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Company's operations.

The directors are of the view that the main risks arising from the Company's financial instruments are liquidity risk, market risk and credit risk. The directors review and agree policies for managing these risks and they are summarised below. These policies remain unchanged from previous years.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through support from the parent company.

Market risk

The Company is exposed to transactions foreign exchange risk. Transactional exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Fluctuations in metal prices are reviewed on a regular basis and taken into consideration when placing purchase orders and setting the selling price of the Company's stock range.

Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis.

Qualifying third party indemnity provisions

The Company has maintained directors' and officers' liability insurance in respect of its directors.

Matters covered in the Strategic Report

The business review, principal risks and uncertainties and financial key performance indicators are not included in the Directors Report as they are included in the Strategic Report as required under S414c of the Companies Act.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AMARI COPPER ALLOYS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A Roberts
Director

Date: 27th June 2022

AMARI COPPER ALLOYS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report for the year ended 31 December 2021.

The principal activity of the Company during the year was that of stockholders, processors and distributors of copper alloys to industry.

Business review and future developments

The profit for the year, after taxation, amounted to £191,976 (2020: £28,389). The directors have not recommended a dividend (2020: £Nil).

Various key performance indicators are used by the directors to monitor and compare the performance of the Company. They regard the following as the key financial performance indicators, all of which can be observed within the attached financial statements.

- Turnover increased to £3.1 million (2020: £2.3 million)
- Profit before tax increased to £0.2 million (2020: £26,956)
- Net assets increased to £0.6 million (2020: £0.4 million)
- Average number of employees decreased to 13 (2020: 14)

The directors of the Company are not satisfied with the results for the year. Gross profit increased compared to 2020 and operating expenses have been subject to inflationary pressures, with some investment for future growth.

To provide a platform for sustainable growth and to negate the impact of the specific risks and uncertainties highlighted below, the Company will continue to implement operational efficiency improvements, thereby enhancing productivity and reducing operating expenses.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are fluctuations in raw material prices, movements in exchange rates, credit risk arising from trade debtors, continuing political instability, changes in government legislation and the cost of complying with excessive and burdensome government regulation.

Whilst the Company takes action to mitigate the principal risks, where possible, there are specific risks and uncertainties outside of its control that could impact on the future financial performance of the Company. Specific examples of such risks relate to government imposed levies, which could result in a significant increase in the operating costs of the Company and a subsequent reduction in profitability and capital available for future reinvestment with no net benefit to the Company or the nation.

The ultimate parent Company is privately held, as is the Company, and the directors are of the opinion that the requirement to publish private accounts is a violation of both the spirit and law under United Kingdom right to privacy legislation.

Going concern

The directors of the parent undertaking, Amari Metals Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all companies in the Group; the directors of this Group accordingly continue to prepare the financial statements on the going concern basis.

AMARI COPPER ALLOYS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board and signed on its behalf.



A Roberts
Director

Date: 27th June 2022

AMARI COPPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AMARI COPPER ALLOYS LIMITED

Opinion

We have audited the financial statements of Amari Copper Alloys Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of income and retained earnings, the Balance sheet 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 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 December 2021 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 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

AMARI COPPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AMARI COPPER ALLOYS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

AMARI COPPER ALLOYS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AMARI COPPER ALLOYS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and manipulating the Company's key performance indicators to meet management targets.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

AMARI COPPER ALLOYS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AMARI COPPER ALLOYS LIMITED
(CONTINUED)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 our report

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

7 July 2022

AMARI COPPER ALLOYS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	3,132,192	2,281,402
Change in stocks of finished goods and work in progress		352,004	(77,662)
Other operating income	5	615	37,453
Raw materials and consumables		(2,446,922)	(1,482,228)
Other external charges		(314,345)	(227,104)
Staff costs		(473,798)	(487,332)
Depreciation and amortisation		(13,150)	(17,414)
Operating profit	6	236,596	27,115
Interest expense and similar charges		(179)	(159)
Profit before tax		236,417	26,956
Tax on profit	10	(44,441)	1,433
Profit after tax		191,976	28,389
Retained earnings at the beginning of the year		240,128	211,739
Profit for the year		191,976	28,389
Retained earnings at the end of the year		432,104	240,128

The notes on pages 12 to 25 form part of these financial statements.

AMARI COPPER ALLOYS LIMITED
REGISTERED NUMBER: 07467003

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	55,475	27,940
Investments	12	1,300,000	1,300,000
		<u>1,355,475</u>	<u>1,327,940</u>
Current assets			
Stocks	13	573,116	221,112
Debtors: amounts falling due within one year	14	778,619	584,489
Cash at bank and in hand		183,002	304,296
		<u>1,534,737</u>	<u>1,109,897</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(2,224,815)	(1,966,693)
Net current liabilities		<u>(690,078)</u>	<u>(856,796)</u>
Total assets less current liabilities		<u>665,397</u>	<u>471,144</u>
Provisions for liabilities			
Other provisions	17	(33,293)	(31,016)
		<u>(33,293)</u>	<u>(31,016)</u>
Net assets		<u>632,104</u>	<u>440,128</u>
Capital and reserves			
Called up share capital	18	200,000	200,000
Profit and loss account		432,104	240,128
		<u>632,104</u>	<u>440,128</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Roberts
Director

Date: 27th June 2022

The notes on pages 12 to 25 form part of these financial statements.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Company is a private company limited by shares incorporated and registered in England and Wales, registration number 07467003.

The registered office is Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, WS10 7WP.

The principal activity of the Company during the year was that of stockholders, processors and distributors of copper alloys to industry.

The ultimate parent company is privately held, as is the Company, and the directors are of the opinion that the requirement to publish private accounts is a violation of both the spirit and law under United Kingdom right to privacy legislation.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Amari Metals Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The directors of the parent undertaking, Amari Metals Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all companies in the Group; the directors of this Group accordingly continue to prepare the financial statements on the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Turnover

Turnover shown in the income statement represents the total invoice value of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover is recognised when the risks and rewards of ownership have been transferred after all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to buyer is fixed and determinable; and
- collectability is reasonably assured.

2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company participates in a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions are charged to the income statement.

Defined benefit pension plan

The Company participated in a defined benefit pension scheme but is unable to identify its share of the underlying assets and liabilities. The pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting year.

2.9 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to spread the cost of the assets less their residual values over the lives of the assets on a straight line basis.

Depreciation is provided on the following basis:

Leasehold Property	- 12.5%
Improvements	
Plant, Equipment and Motor Vehicles	- 10% to 50%

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Stocks

Stocks are valued at the lower of either cost or net realisable value after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short-term creditors are measured at the transaction price.

2.14 Property dilapidations

Under the operating lease for land and buildings, the Company is obligated to make repairs of dilapidations to the leased property upon expiry of the lease. The Company charges amounts to the income statement so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations. Where repairs are made part way through the lease that will reduce the estimated costs of dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

3.1 Critical judgements in applying the group's accounting policies

Trade debtors

Management applies judgement in evaluating the recoverability of debtors. After taking into account the insurance policy in effect of these debtors full provision is made for all debts that the Company, acting prudently, feel that the probability of recovery is low, subject to a line-by-line review on an ongoing basis. To the extent that the directors believe debtors not to be recoverable they have been provided for in the financial statements.

Stocks

Management applies judgement in evaluating stock for obsolescence. This judgement is based principally on stock age and management's knowledge of the stocks customers demand. At each Balance sheet date, stocks are assessed for impairment and written down where appropriate.

Valuation of fixed asset investments

The Company considers whether investments held in subsidiaries are impaired. Where indicators of impairment are identified the carrying value of the investment is compared to the underlying net assets of the subsidiary and provisions reflected where required.

3.2 Key accounting estimates and assumptions

Provisions

Provision is made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. Dilapidation provisions have been estimated using historical costs and lease exit rates, the provisions are built up over the term of the lease and average lease term to expiry.

Pension and other post-employment benefits

The Company participated in a defined benefit pension scheme however, being part of a multi-employer scheme, the Company is unable to identify its individual share of the underlying assets and liabilities. The directors consider that there is no other contractual agreement or stated policy for charging the net defined benefit costs between the group companies. The Company has therefore accounted for the contributions to the multi-employer group defined benefit scheme as if it was a standalone defined contribution scheme.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,389,486	1,723,530
Rest of Europe	175,717	100,048
Rest of the World	566,989	457,824
	<u>3,132,192</u>	<u>2,281,402</u>

5. Other operating income

	2021 £	2020 £
Government grants received	<u>615</u>	<u>37,453</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation	13,150	-
Exchange differences	820	3,914
Other operating lease rentals	<u>63,788</u>	<u>62,250</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>5,500</u>	<u>5,150</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Employees

Staff costs, excluding directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	386,699	399,191
Social security costs	44,137	41,725
Cost of defined contribution scheme	42,962	46,416
	<u>473,798</u>	<u>487,332</u>

The average monthly number of employees, excluding directors, during the year was 13 (2020: 14).

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	12,393	10,527
Company contributions to defined contribution pension schemes	260	246
	<u>12,653</u>	<u>10,773</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

AMARI COPPER ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	37,266	-
Deferred tax		
Origination and reversal of timing differences	7,175	(1,433)
Taxation on profit/(loss)	44,441	(1,433)

The tax assessed for the year is lower than (2020: *lower than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	236,417	26,956
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	44,919	5,122
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(389)	-
Remeasurement of deferred tax for changes in tax rates	(164)	-
Short term timing difference leading to an increase in taxation	75	-
Group relief	-	(6,555)
Total tax charge/(credit) for the year	44,441	(1,433)

Factors that may affect future tax charges

In March 2021 the UK Government announced an increase in the UK Corporation Tax headline rate to 25% with effect from 1 April 2023.

AMARI COPPER ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Tangible fixed assets

	Leasehold Property Improvements £	Plant, Equipment and Motor Vehicles £	Total £
Cost or valuation			
At 1 January 2021	64,861	206,389	271,250
Additions	-	40,685	40,685
At 31 December 2021	<u>64,861</u>	<u>247,074</u>	<u>311,935</u>
Depreciation			
At 1 January 2021	59,859	183,451	243,310
Charge for the year on owned assets	750	12,400	13,150
At 31 December 2021	<u>60,609</u>	<u>195,851</u>	<u>256,460</u>
Net book value			
At 31 December 2021	<u>4,252</u>	<u>51,223</u>	<u>55,475</u>
At 31 December 2020	<u>5,002</u>	<u>22,938</u>	<u>27,940</u>

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	1,300,000
At 31 December 2021	1,300,000
Net book value	
At 31 December 2021	1,300,000
At 31 December 2020	1,300,000

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Cole and Swallow Materials Limited	Dormant	Ordinary	100%
Amari Precision Tubes Limited	Metal manufacturing	Ordinary	100%
S.S.E Pipefittings Limited	Metal manufacturing	Ordinary	100%
Enfield Tubes Limited	Metal manufacturing	Ordinary	100%

All of the above companies are incorporated in England and Wales. The registered addresses are the same as the Company which is disclosed in note 1 of these financial statements.

13. Stocks

	2021 £	2020 £
Goods held for resale	573,116	221,112

AMARI COPPER ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Debtors

	2021 £	2020 £
Trade debtors	751,284	543,875
Amounts owed by group undertakings	15,907	1,837
Prepayments and accrued income	10,742	30,916
Deferred taxation	686	7,861
	<u>778,619</u>	<u>584,489</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	275,402	243,135
Amounts owed to group undertakings	1,809,096	1,620,664
Other taxation and social security	107,206	51,695
Other creditors	8,698	7,177
Accruals and deferred income	24,413	44,022
	<u>2,224,815</u>	<u>1,966,693</u>

16. Deferred taxation

	2021 £
At beginning of year	7,861
Charged to profit or loss	(7,175)
At end of year	<u>686</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	<u>686</u>	<u>7,861</u>

AMARI COPPER ALLOYS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Provisions

	Dilapidation provision £
At 1 January 2021	31,016
Charged to profit or loss	2,277
At 31 December 2021	<u>33,293</u>

The dilapidation provision represents obligations under a tenancy lease and is expected to be utilised over the remaining lease term.

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
200,000 (2020: 200,000) Ordinary shares shares of £1 each	<u>200,000</u>	<u>200,000</u>

19. Contingent liabilities

The Company is party to a group banking facility, including a cross guarantee, which has been advanced to the group of Companies headed by Amari Metals Limited. Neither the group nor the Company have pledged assets as security for this facility.

The contingent liability under this arrangement, being the aggregate bank borrowings of the group, at 31 December 2021 and 31 December 2020 was £Nil.

AMARI COPPER ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Pension commitments

Defined contribution scheme

The Company participates in a defined contribution pension scheme for the benefit of all enrolled UK employees. The assets of the scheme are administered by trustees in funds independent from those of the group.

The amount outstanding at the year end was £Nil (2020: £Nil).

Defined benefit scheme

The Company participated in a defined benefit scheme operated by the group of undertakings headed by Amari Metals Limited, for the benefit of all enrolled UK employees. This pension scheme was closed for new accrual from 30 September 2003. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company to the scheme during the year were £17,624 (2020: £18,519).

Information relating to the defined benefit scheme is disclosed in the financial statements of the parent Company, Amari Metals Limited.

21. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	76,390	78,804
Later than 1 year and not later than 5 years	304,680	304,680
Later than 5 years	63,475	139,437
	<u>444,545</u>	<u>522,921</u>

22. Related party transactions

The Company has taken advantage under the exemption under section 33.1A of FRS 102 not to disclose related party transactions between wholly owned members of the same group.

AMARI COPPER ALLOYS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Controlling party

At 31 December 2021 the ultimate parent company was Britannia Metals Holdings, Ltd., a company registered in the USA. From 3 January 2022 the ultimate parent undertaking was Britannia Metals Parent Company, a company also registered in the USA.

The largest and smallest group of which the Company is a member and for which group consolidated financial statements are drawn up is headed by Amari Metals Limited, the immediate parent company. Copies of these financial statements are available from Companies House.

The registered office of the immediate parent company is the same as the address of the Company as disclosed in note 1 of the accounts.