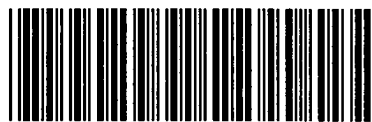


Registered number
06604927

SOLAR METALS LIMITED
DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

TUESDAY



A4YXGF54

A08

19/01/2016

#286

COMPANIES HOUSE

SOLAR METALS LIMITED
CONTENTS

	Page
Company Information	1
Directors' Report	2
Strategic Report	3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8 to 14

The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account	15 to 17
---	-----------------

SOLAR METALS LIMITED
COMPANY INFORMATION

Directors

Mr N G Holland
Mr S J Muddle

Company secretary

Mrs M J Muddle

Registered office

Third Floor South
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Auditor

Spofforths LLP
A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

SOLAR METALS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2015

The directors present their report and the financial statements for the year ended 31 July 2015.

Principal activity

The principal activity of the company is trading in scrap metal.

Directors of the company

The directors who held office during the year were as follows:

Mr N G Holland

Mr S J Muddle

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 8/1/2016 and signed on its behalf by:



Mr S J Muddle
Director

SOLAR METALS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2015

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

Business review

Fair review of the business

The directors are pleased with the financial performance of the business this year in what has been a difficult and challenging period due to both domestic and international economic and trading conditions. Despite a fall in turnover of 26.5% (2014 increase of 2.8%) the company has managed to improve the gross profit margin to 2.97% (2014 2.29%).

The company's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Profit for the year after taxation	£	465,082	501,910
Dividends paid during the year	£	120,000	84,000

Principal risks and uncertainties

The directors believe the main risks faced by the company are;

1. The international economic climate and the world-wide demand for finished steel products
2. The volatility of the foreign currency markets, and
3. Customers ability to pay due to the current economic climate

Approved by the Board on 8/1/2016 and signed on its behalf by:



.....
Mr S J Muddle
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOLAR METALS LIMITED**

We have audited the financial statements of Solar Metals Limited for the year ended 31 July 2015 which comprise the Profit and Loss Account, the Balance Sheet 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 the auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 2), 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 web-site at www.frc.org.uk/apb/scope/private.cfm.

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.

Opinion on the 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 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

.....
Stephen Kirkham FCA (Senior Statutory Auditor)
For and on behalf of Spofforths LLP Chartered Accountants and Statutory Auditor
Date: 12 January 2016

A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

SOLAR METALS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2015

	Note	2015 £	2014 £
Turnover	2	28,993,292	39,483,325
Cost of sales		<u>(28,133,549)</u>	<u>(38,578,055)</u>
Gross profit		859,743	905,270
Administrative expenses		<u>(271,476)</u>	<u>(255,955)</u>
Operating profit	3	588,267	649,315
Other interest receivable and similar income	6	386	314
Interest payable and similar charges	7	<u>-</u>	<u>(307)</u>
Profit on ordinary activities before taxation		588,653	649,322
Tax on profit on ordinary activities	8	<u>(123,571)</u>	<u>(147,412)</u>
Profit for the financial year	15	<u><u>465,082</u></u>	<u><u>501,910</u></u>


Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

SOLAR METALS LIMITED
(REGISTERED NUMBER: 06604927)
BALANCE SHEET AT 31 JULY 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible fixed assets	9		33,890		47,793
Current assets					
Stocks	10	981,011		292,076	
Debtors	11	5,898,416		5,031,498	
Cash at bank and in hand		451,958		666,588	
		7,331,385		5,990,162	
Creditors: Amounts falling due within one year	12	(5,356,575)		(4,374,337)	
Net current assets			1,974,810		1,615,825
Net assets			2,008,700		1,663,618
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account	15	2,008,600		1,663,518	
Shareholders' funds	16		2,008,700		1,663,618

Approved by the Board and authorised for issue on 8/1/2016 and signed on its behalf by:



 Mr S J Muddle
 Director

SOLAR METALS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2015

Reconciliation of operating profit to net cash flow from operating activities

	2015 £	2014 £
Operating profit	588,267	649,315
Depreciation, amortisation and impairment charges	13,903	16,606
Increase in stocks	(688,935)	(28,629)
Increase in debtors	(866,918)	(695,524)
Increase/(decrease) in creditors	1,060,080	(288,921)
Net cash inflow/(outflow) from operating activities	<u>106,397</u>	<u>(347,153)</u>

Cash flow statement

	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	<u>106,397</u>	<u>(347,153)</u>
Returns on investments and servicing of finance		
Interest received	386	314
Interest paid	-	(307)
	<u>386</u>	<u>7</u>
Taxation paid	(201,413)	(108,835)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(47,027)
Equity dividends paid	(120,000)	(84,000)
Net cash outflow before management of liquid resources and financing	<u>(214,630)</u>	<u>(587,008)</u>
Decrease in cash	<u>(214,630)</u>	<u>(587,008)</u>

Reconciliation of net cash flow to movement in net debt

	Note	2015 £	2014 £
Decrease in cash		<u>(214,630)</u>	<u>(587,008)</u>
Movement in net debt	19	(214,630)	(587,008)
Net funds at 1 August	19	<u>666,588</u>	<u>1,253,596</u>
Net funds at 31 July	19	<u>451,958</u>	<u>666,588</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

1 Accounting policies

Basis of preparation

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods to customers.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of asset over its expected useful life, as follows:

Asset class	Depreciation method and rate
Short leasehold land and buildings	Over the lease term
Plant and machinery	3 years straight line
Motor vehicles	4 years straight line

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

2 Turnover

During the year 80.51% of the company's turnover related to exports (2014 - 87.39%).

An analysis of turnover by geographical location is given below:

	2015 £	2014 £
Sales - UK	5,652,075	4,979,896
Sales - Europe	17,788,153	26,766,158
Sales - Rest of world	5,553,064	7,737,271
	<u>28,993,292</u>	<u>39,483,325</u>

An analysis of turnover by class of business is given below:

	2015 £	2014 £
Sale of scrap metal	28,993,292	39,483,325
	<u>28,993,292</u>	<u>39,483,325</u>

3 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - other assets	4,747	4,580
Foreign currency losses	20,754	69,894
Depreciation of owned assets	<u>13,903</u>	<u>16,606</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Sales	<u>2</u>	<u>2</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	10,000	9,627
Social security costs	274	255
Directors' pensions	<u>16,000</u>	<u>16,000</u>
	<u>26,274</u>	<u>25,882</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	112,221	88,952
Company contributions paid to money purchase schemes	<u>16,000</u>	<u>16,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

6 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	<u>386</u>	<u>314</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

7 Interest payable and similar charges

	2015 £	2014 £
Other interest payable	-	307
	<u>-</u>	<u>307</u>

8 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	123,571	147,412
	<u>123,571</u>	<u>147,412</u>

9 Tangible fixed assets

	Short leasehold costs £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 August 2014	15,000	4,463	70,260	89,723
Depreciation				
At 1 August 2014	5,583	4,463	31,884	41,930
Charge for the year	1,000	-	12,903	13,903
At 31 July 2015	6,583	4,463	44,787	55,833
Net book value				
At 31 July 2015	8,417	-	25,473	33,890
At 31 July 2014	9,417	-	38,376	47,793

10 Stocks

	2015 £	2014 £
Stocks	981,011	292,076
	<u>981,011</u>	<u>292,076</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

11 Debtors

	2015 £	2014 £
Trade debtors	3,501,920	2,681,085
Other debtors	655,775	217,294
Prepayments and accrued income	1,740,721	2,133,119
	<u>5,898,416</u>	<u>5,031,498</u>

12 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,700,129	1,989,800
Amounts owed to related parties	3,465,425	2,159,989
Corporation tax	69,570	147,412
Other taxes and social security	4,824	4,773
Directors' current accounts	106,556	62,138
Accruals and deferred income	10,071	10,225
	<u>5,356,575</u>	<u>4,374,337</u>

13 Share capital

Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14 Dividends

	2015 £	2014 £
Dividends paid		
Current year interim dividend paid	<u>120,000</u>	<u>84,000</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

15 Reserves

	Profit and loss account £	Total £
At 1 August 2014	1,663,518	1,663,518
Profit for the year	465,082	465,082
Dividends	(120,000)	(120,000)
At 31 July 2015	<u>2,008,600</u>	<u>2,008,600</u>

16 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	465,082	501,910
Dividends	(120,000)	(84,000)
Net addition to shareholders' funds	345,082	417,910
Shareholders' funds at 1 August	<u>1,663,618</u>	<u>1,245,708</u>
Shareholders' funds at 31 July	<u>2,008,700</u>	<u>1,663,618</u>

17 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £16,000 (2014 - £16,000).

18 Commitments

Operating lease commitments

As at 31 July 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Over five years	<u>4,580</u>	<u>4,580</u>

SOLAR METALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015

Derivatives not included at fair value

The Company uses derivatives to hedge its exposure to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date.

At the balance sheet date, the company had forward foreign exchange contracts with a principal value of £3,692,557 and a fair value of £3,626,741.

19 Analysis of net debt

	At 1 August 2014 £	Cash flow £	At 31 July 2015 £
Cash at bank and in hand	666,588	(214,630)	451,958
Net funds	<u>666,588</u>	<u>(214,630)</u>	<u>451,958</u>

20 Related party transactions

During the year the company made the following related party transactions:

Charles Muddle Limited

(A company which is controlled by Mr S J Muddle)

During the year goods worth £393,019 (2014 - £836,820) were sold to Charles Muddle Limited. Goods and services worth £9,182,341 (2014 - £10,028,481) were purchased from Charles Muddle Limited. At the balance sheet date the amount due to Charles Muddle Limited was £3,465,424 (2014 - £2,159,989).

Mr N Holland

(Director of the company)

The company paid dividends to Mr N Holland of £41,160 (2014 - £41,160). During the year Mr N Holland continued to provide the company with an interest free loan. At the balance sheet date the amount due to Mr N Holland was £27,716 (2014 - £19,298).

Mr S J Muddle

(Director of the company)

The company paid dividends to Mr S J Muddle of £42,840 (2014 - £42,840). During the year Mr S J Muddle continued to provide the company with an interest free loan. At the balance sheet date the amount due to Mr S J Muddle was £42,840 (2014 - £42,840).

21 Control

The company is controlled by S J Muddle, who owns 51% of the share capital in the company.