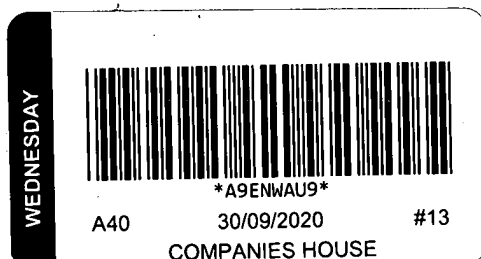


Registered number: 02023155

AMARI METALS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



AMARI METALS LIMITED

COMPANY INFORMATION

Directors	R W Colburn S A Hussey C Meredith A Roberts
Company secretary	M Hale
Registered number	02023155
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 METALS LIMITED

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AMARI METALS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group 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 £13,479,125 (2018 - loss £288,895).

The Directors did not recommend the payment of a dividend (2018: £Nil).

Directors

The directors who served during the year were:

R W Colburn
S A Hussey
C Meredith
A Roberts

AMARI METALS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risk management, objectives and policies

The Group 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 Group's operations.

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

Liquidity risk

The Group 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 Group is exposed to transactional 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 Group's stock range.

Credit risk

The Group'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.

Employee consultation and disabled employees

Recruitment policies are designed to ensure equal opportunity of employment. Appropriate consideration is given to disabled applicants in offering employment, training and career development.

Good communications and relations with employees are attempted, mainly by practices developed in each operating unit compatible with its own particular circumstances. Senior management are kept informed of group developments in certain financial, commercial, strategic and personnel matters as needed, and are thereby enabled to inform and discuss with employees as appropriate at the individual operating units.

Qualifying third party indemnity provisions

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

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 and the Group'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 and the Group's auditor is aware of that information.

AMARI METALS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the consolidated financial position, results of operations, and cash flows of the Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The Group continues to focus on organic growth, margin improvements and overhead control. On 28th February 2020 the Group acquired the entire share capital of The Alternative Steel Group Limited. The acquisition will represent an increase in the size of the business of less than 2%. At the date of issue of these accounts the company remains profitable and will add to the Group's financial position, whilst profitable this is not expected to be material to the Group in the early years.

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 on *26th August 2020* and signed on its behalf.



A Roberts
Director

AMARI METALS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities

The principal activity of the Group during the year was metal stockholding and the principal activity of this Company was to act as a holding company.

The subsidiary undertakings principally affecting the profit or net assets of the Group during the year are listed in note 16 to the financial statements.

Business review and future developments

The profit for the year, after taxation, amounted to £13,479,125 (2018: loss of £288,895). The directors have not recommended a dividend (2018: £Nil).

Various key performance indicators are used by the directors to monitor and compare the performance of the Group. They regard the following as the key financial indicators of performance, all of which can be observed in the attached financial statements. The Group uses other performance indicators in the day to day operations but the directors consider these commercially sensitive and have therefore not disclosed these indicators.

- Turnover £535.5 million (2018: £549.3 million)
- Profit before tax £15.6 million (2018: £2.0 million)
- Net assets £93.7 million (2018: £79.7 million)
- Average number of employees 1,878 (2018: 1,632)

The directors of the Group are not satisfied with the results for the year. Whilst gross profit increased compared to 2018, in a broadly flat market, 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 Group will continue to implement operational efficiency improvements, thereby enhancing productivity and reducing operating expenses.

The statement of comprehensive income includes an FRS 102 adjustment relating to the defined benefit pension scheme deficit, calculated by the scheme actuary. The net movement on the defined benefit pension scheme deficit for the year is a reduction in the deficit of £2.1m (2018: increase of £0.7m), details of which are contained within note 31 to the financial statements.

During the previous year two subsidiaries, Righton Limited and Blackburns Metals Limited, merged for strategic reasons to form Righton & Blackburns Limited. Exceptional costs of £8.4m were recognised in the income statement in the previous year relating to the one-off costs of the merger.

AMARI METALS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The principal risks and uncertainties of the Group are fluctuations in raw material prices, movements in exchange rates, credit risk arising from trade debtors, continuing political instability including the unknown effect of Brexit on the economy, changes in government legislation and the costs of complying with excessive and burdensome government regulation.

Whilst the Group 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 Group. Specific examples of such risks relate to government imposed levies, which could result in a significant increase in the operating costs of the Group and a subsequent reduction in profitability and capital available for future reinvestment with no net benefit to the Group or the nation.

The Group seeks to manage foreign exchange risks through the judicious use of forward currency contracts and has a rigorous and effective system of controls in place to manage and mitigate the risks associated with trade debtors, as detailed in the Directors' report. The Group has procedures in place to mitigate the potential adverse effect of Brexit on the supply chain.

The impact of COVID-19 on the Group can be found in the Going Concern section of this report.

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

Going concern

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Notwithstanding this, 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 METALS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Section 172(1) statement

The directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Group for the benefit of its members in the long term. In performing their duties, the directors make a good faith assessment of the potential consequence on various stakeholders.

Employees and the environment

The directors are committed to promoting a safe working environment for its staff, protecting the wellbeing of all employees. The directors keep staff informed of key commercial, operational and personnel matters through structured internal communication channels. Training and development opportunities are provided where they are considered of benefit to the Group and its employees.

The Group has measures in place to monitor its impact on the local community and the environment and the directors maintain a policy of compliance towards all relevant regulatory environmental standards.

Customers

The directors commit considerable resources to servicing the needs of our customers to the highest possible standard with a view to building long term relationships.

Suppliers

A core value of the Group is a strict adherence to paying all suppliers within agreed terms.

This report was approved by the board on 26th August 2020 and signed on its behalf.


A Roberts
Director

AMARI METALS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AMARI METALS LIMITED

Opinion

We have audited the financial statements of Amari Metals Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity 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 Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's 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 Group 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

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 Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual 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

AMARI METALS LIMITED

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

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.

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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AMARI METALS LIMITED

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

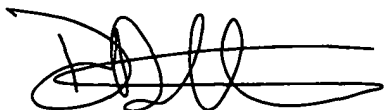
Auditor's responsibilities for the audit of the financial statements

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 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: 26/08/2020

AMARI METALS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	535,330,717	549,288,772
Change in stocks of finished goods and work in progress		(2,562,483)	12,046,633
Raw materials and consumables		(404,784,639)	(443,627,663)
Other external charges		(43,028,834)	(42,634,250)
Exceptional costs	13	254,117	(10,561,531)
Staff costs	7	(60,351,493)	(55,386,424)
Depreciation and amortisation	15	(7,093,711)	(5,896,666)
Operating profit	5	17,763,674	3,228,871
Interest income	9	71,841	42,563
Interest expense and similar charges	10	(1,235,634)	(467,172)
Other finance expense	31	(971,000)	(844,000)
Profit before tax		15,628,881	1,960,262
Tax on profit	12	(2,149,756)	(2,249,157)
Profit/(loss) for the financial year		13,479,125	(288,895)
Actuals gain/(loss) on defined benefit pension scheme	31	620,000	(257,000)
Movement of deferred tax relating to pension deficit	24	(105,400)	42,055
Other comprehensive income for the year		514,600	(214,945)
Total comprehensive income for the year		13,993,725	(503,840)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		13,479,125	(288,895)
		13,479,125	(288,895)
Total comprehensive income for the year attributable to:			
Owners of the parent Company		13,993,725	(503,840)
		13,993,725	(503,840)

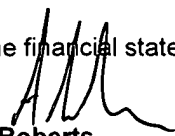
The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED
REGISTERED NUMBER: 02023155

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	14	19,532,332	-
Tangible assets	15	18,387,435	14,410,171
		<u>37,919,767</u>	<u>14,410,171</u>
Current assets			
Stocks	17	112,035,668	101,700,422
Debtors: amounts falling due after more than one year	18	5,721,136	6,039,760
Debtors: amounts falling due within one year	18	109,190,256	115,598,549
Cash at bank and in hand	19	33,437,608	36,101,236
		<u>260,384,668</u>	<u>259,439,967</u>
Creditors: amounts falling due within one year	20	(154,044,162)	(139,764,569)
Net current assets		<u>106,340,506</u>	<u>119,675,398</u>
Total assets less current liabilities		<u>144,260,273</u>	<u>134,085,569</u>
Creditors: amounts falling due after more than one year	21	(4,858,350)	(5,833,985)
Provisions for liabilities			
Other provisions	25	(9,847,368)	(10,601,754)
Pension liability	31	(35,879,000)	(37,968,000)
Net assets		<u>93,675,555</u>	<u>79,681,830</u>
Capital and reserves			
Called up share capital	26	45,600,002	45,600,002
Profit and loss account	27	48,075,553	34,081,828
Shareholder's fund		<u>93,675,555</u>	<u>79,681,830</u>

The financial statements were approved on 26th August 2020 and signed on behalf of the board by


A Roberts
 Director

The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED
REGISTERED NUMBER: 02023155

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	10,459,313	10,171,861
Investments	16	186,868,060	148,447,381
		<u>197,327,373</u>	<u>158,619,242</u>
Current assets			
Debtors: amounts falling due within one year	18	55,338,385	52,708,731
Cash at bank and in hand	19	916,838	910,806
		<u>56,255,223</u>	<u>53,619,537</u>
Creditors: amounts falling due within one year	20	(194,548,076)	(150,712,092)
Net current liabilities		<u>(138,292,853)</u>	<u>(97,092,555)</u>
Total assets less current liabilities		<u>59,034,520</u>	<u>61,526,687</u>
Creditors: amounts falling due after more than one year	21	(4,686,576)	(5,833,985)
Provisions for liabilities			
Other provisions	25	(4,368)	(57,956)
Net assets		<u><u>54,343,576</u></u>	<u><u>55,634,746</u></u>
Capital and reserves			
Called up share capital	26	45,600,002	45,600,002
Profit and loss account brought forward	27	10,034,744	(2,515,661)
Loss/(profit) for the year	27	(1,291,170)	12,550,405
Profit and loss account carried forward	27	8,743,574	10,034,744
Shareholder's fund		<u><u>54,343,576</u></u>	<u><u>55,634,746</u></u>

The financial statements were approved on 26th August 2020 and signed on behalf of the board by


A Roberts
 Director

The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	45,600,002	34,585,668	80,185,670
Loss for the year	-	(288,895)	(288,895)
Actuarial losses on pension scheme	-	(214,945)	(214,945)
Total comprehensive income for the year	-	(503,840)	(503,840)
At 1 January 2019	45,600,002	34,081,828	79,681,830
Profit for the year	-	13,479,125	13,479,125
Actuarial gains on pension scheme	-	514,600	514,600
Total comprehensive income for the year	-	13,993,725	13,993,725
At 31 December 2019	45,600,002	48,075,553	93,675,555

The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	45,600,002	(2,515,661)	43,084,341
Profit for the year	-	12,550,405	12,550,405
At 1 January 2019	45,600,002	10,034,744	55,634,746
Loss for the year	-	(1,291,170)	(1,291,170)
At 31 December 2019	45,600,002	8,743,574	54,343,576

The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	13,479,125	(288,895)
Adjustments for:		
Amortisation of intangible assets	1,300,675	-
Depreciation of tangible assets	5,793,036	5,896,666
Profit on disposal of fixed assets	(279,951)	(96,782)
Interest expense	1,235,634	467,172
Interest income	(71,841)	(42,563)
Taxation charge	2,149,756	2,249,157
Decrease/(increase) in stocks	2,515,502	(12,021,691)
Decrease/(increase) in debtors	16,814,901	(5,518,810)
(Decrease)/increase in creditors	(29,215,892)	1,346,543
(Decrease)/increase in provisions	(894,387)	6,846,929
(Decrease) in net pension assets/liabilities	(1,469,000)	(1,681,000)
Corporation tax paid	(3,291,729)	(2,560,957)
Net cash generated from operating activities	8,065,829	(5,404,231)
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,606,526)	(1,673,998)
Sale of tangible fixed assets	476,416	546,184
Acquisition of subsidiaries	(31,251,496)	-
Cash in acquisition of subsidiaries	1,726,360	-
Interest income	71,841	42,563
Finance lease interest paid	(416,353)	(418,971)
Debt in acquisition of subsidiaries	(417,961)	-
Net cash from investing activities	(33,417,719)	(1,504,222)

AMARI METALS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from financing activities		
Increase in loans	27,000,000	-
Repayment of finance leases	(4,373,079)	(4,250,219)
Interest paid	(356,621)	(48,201)
Net cash used in financing activities	22,270,300	(4,298,420)
Net (decrease) in cash and cash equivalents	(3,081,590)	(11,206,873)
Cash and cash equivalents at beginning of year	36,101,236	47,308,109
Cash and cash equivalents at the end of year	33,019,646	36,101,236
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	33,437,608	36,101,236
Bank loans	(417,962)	-
	33,019,646	36,101,236

The notes on pages 17 to 54 form part of these financial statements.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The Company is a private company limited by shares incorporated and registered in England and Wales, registration number 02023155.

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

The principal activity of the Group during the year was metal stockholding and the principal activity of this Company was to act as a holding company.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

The directors have considered the net current liability position of the Company, which occurs as a result of the amounts owed to group undertakings, specifically wholly owned subsidiaries, and are satisfied that these amounts should not be repaid in the 12 months from the date of signing.

Notwithstanding this, 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 Company 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 exist;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed and determinable; and
- collectability is reasonable assured.

Turnover is recognised prior to delivery of goods, where there is an underlying contract with the customer meeting the definition of a "bill and hold" arrangement. In these situations, turnover is recognised once the principal benefits and risks have passed to the customer; in particular that the goods are available and ready for delivery, and that payment has been received from the customer and therefore legal title of the stock has passed.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

2.7 Finance lease agreements

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income on an effective rate basis.

2.8 Interest expense and similar charges

Interest expense and similar charges relate to bank and finance lease obligations and are accounted for in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Group participates in a defined contribution plan for its employees. The assets of the plan are held separately from the group in independently administered funds.

Defined benefit pension plan

The Group operated a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax charge for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.12 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of five years.

Negative goodwill arising on the acquisition of a business, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and released on a straight line basis over its economic life.

2.13 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 allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 9% to 25%	}
Plant, equipment & motor vehicles	- 10% to 50%	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at either the lower of 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.

2.16 Debtors

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

2.17 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.

2.18 Creditors

Trade and other creditors are measured at the transaction price and include a market rate of interest where applicable.

2.19 Provisions

Dilapidations

Under certain operating leases for land and buildings, the Group is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The Group 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 the dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

Onerous leases

Onerous lease provisions comprise the total future rent and other costs in relation to closed sites. The provisions are discounted to current monetary values where this is considered material.

2.20 Financial instruments

The Group 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 that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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 Group, 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 stocks for obsolescence. This judgement is based principally on stock age and management's knowledge of the stocks customers demand. At each statement of financial position date, stocks are assessed for impairment and written down where appropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3.2 Key accounting estimates and assumptions

Pension and other post-employment benefits

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Management estimates these factors in determining the net pension obligation in the balance sheet. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 31.

Being part of a multi-employer defined benefit scheme, the Company is unable to identify its individual share of the underlying assets and liabilities in the scheme. The Company has previously accounted for the contributions to the Group defined benefit scheme as if it was a defined contribution scheme. The directors consider that there is no other contractual agreement or stated policy for charging the net defined benefit costs between the Group companies and therefore, on transition to FRS 102, as the largest sponsoring employer, Aalco Metals Limited has accounted for the scheme as a defined benefit scheme.

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.

Onerous lease provisions comprise the total future rent and other costs in relation to closed sites. The provisions are discounted to current monetary values where this is considered material.

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 recoverable amount being the higher of fair value or value in use, and provisions reflected where required. See note 16 for full details.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

In the opinion of the directors there is no substantial difference between the activities carried out by each of the trading units of the group.

No disclosure of any information by segment has been disclosed as in the opinion of the directors this would be seriously prejudicial to the interests of the group.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	513,489,623	524,708,898
Rest of Europe	17,871,250	19,910,507
Rest of the world	3,969,844	4,669,367
	<u>535,330,717</u>	<u>549,288,772</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	5,793,036	5,896,666
Amortisation of goodwill	1,300,675	-
Exchange differences	118,885	102,221
Other operating lease rentals - plant and machinery	1,019,352	790,258
Other operating lease rentals - land and buildings	8,390,871	9,080,612
Profit on disposal of fixed assets	<u>(279,951)</u>	<u>(96,782)</u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>245,000</u>	<u>470,076</u>
Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	47,750	63,470
Other accounting services	32,000	30,500
Audit of the group's pension scheme	15,000	22,081
Tax advisory services	-	47,737
Other advisory services	-	41,836
	<u>94,750</u>	<u>205,624</u>

7. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	52,542,252	48,577,667
Social security costs	5,226,000	5,020,131
Cost of defined contribution scheme	2,583,241	1,788,626
	<u>60,351,493</u>	<u>55,386,424</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Sales and distribution staff	<u>1,878</u>	<u>1,632</u>

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Directors' remuneration

	2019 £	2018 £
Directors remuneration	600,752	450,818
Other pension costs	13,906	10,139
	<u>614,658</u>	<u>460,957</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £398,263 (2018 - £320,472).

The accrued pension entitlement under the defined benefit scheme of the highest director as at the 31 December 2019 was £11,294 (2018 - £10,922).

9. Interest income

	2019 £	2018 £
Bank and other interest	71,841	42,563
	<u>71,841</u>	<u>42,563</u>

10. Interest expense and similar charges

	2019 £	2018 £
Interest on bank borrowings	392,606	47,671
Finance leases and hire purchase contracts	843,028	419,501
	<u>1,235,634</u>	<u>467,172</u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Other finance costs

	2019 £	2018 £
Interest income on pension scheme assets	2,616,000	2,462,000
Net interest on net defined benefit liability	(3,587,000)	(3,306,000)
	<u>(971,000)</u>	<u>(844,000)</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	3,403,231	1,499,700
Adjustments in respect of previous periods	(1,456,649)	862,116
Total current tax	<u>1,946,582</u>	<u>2,361,816</u>
Deferred tax		
Origination and reversal of timing differences	170,525	(83,664)
Deferred tax in respect of defined benefit pension scheme	32,649	(28,995)
Total deferred tax	<u>203,174</u>	<u>(112,659)</u>
Taxation on profit	<u>2,149,756</u>	<u>2,249,157</u>

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before tax	15,628,881	1,960,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	2,969,487	372,450
Effects of:		
Expenses not deductible for tax purposes	650,749	358,579
Adjustment to tax charge in respect of prior period	(1,456,341)	118,850
Deferred taxation on defined benefit pension scheme	(392,562)	862,935
Deferred taxation adjustment current year	268,803	9,085
Other tax adjustments, reliefs and transfers	108,928	401,355
Deferred tax not recognised	692	125,903
Total tax charge for the year	2,149,756	2,249,157

Factors that may affect future tax charges

In March 2020 the UK Government set future corporation tax rates at 19%. This does not have a material effect on the group.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Exceptional items

	2019 £	2018 £
Restructuring costs	(254,117)	8,432,531
Past service costs of guaranteed minimum pension benefits equalisation	-	2,129,000
	<u>(254,117)</u>	<u>10,561,531</u>

Restructuring costs relate to the merger of Righton & Blackburns Limited (formerly Righton Limited) and Blackburns Metals Limited in 2018. The credit in the current year represents the reversal of provisions previously recognised in 2018 as part of the group restructure.

Guaranteed minimum pension equalisation - during the previous year the defined benefit pension scheme liabilities increased, as a result of a landmark court ruling in the UK to equalise the guaranteed minimum pension benefits of the plan. The increase in pension plan liabilities of £2,129,000 was recognised as an exceptional cost in the income statement during the previous year.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Intangible assets

Group and Company

	Goodwill £	Negative Goodwill £	Total £
Cost			
At 1 January 2019	51,069,556	(1,339,048)	49,730,508
Additions	20,833,007	-	20,833,007
At 31 December 2019	<u>71,902,563</u>	<u>(1,339,048)</u>	<u>70,563,515</u>
Amortisation			
At 1 January 2019	51,069,556	(1,339,048)	49,730,508
Charge for the year on owned assets	1,300,675	-	1,300,675
At 31 December 2019	<u>52,370,231</u>	<u>(1,339,048)</u>	<u>51,031,183</u>
Net book value			
At 31 December 2019	<u><u>19,532,332</u></u>	<u><u>-</u></u>	<u><u>19,532,332</u></u>
At 31 December 2018	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 January 2019	4,393,740	55,279,369	-	59,673,109
Additions	248,162	3,405,274	2,602,291	6,255,727
Acquisition of subsidiaries	3,581,519	6,188,585	-	9,770,104
Disposals	(1,708,546)	(4,126,462)	-	(5,835,008)
Transfers between classes	26,470	(26,470)	-	-
At 31 December 2019	6,541,345	60,720,296	2,602,291	69,863,932
Depreciation				
At 1 January 2019	2,652,787	42,610,151	-	45,262,938
Charge for the year on owned assets	398,122	5,394,914	-	5,793,036
Disposals	(270,067)	(3,941,345)	-	(4,211,412)
Acquisition of subsidiaries	464,321	4,167,614	-	4,631,935
Transfers between classes	(4,066)	4,066	-	-
At 31 December 2019	3,241,097	48,235,400	-	51,476,497
Net book value				
At 31 December 2019	3,300,248	12,484,896	2,602,291	18,387,435
At 31 December 2018	1,740,953	12,669,218	-	14,410,171

Included within the group net book value of £18,387,435 is £8,566,187 (2018: £9,955,017) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,066,203 (2018: £4,152,844).

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 January 2019	160,624	22,593,849	-	22,754,473
Additions	17,054	2,672,043	1,837,557	4,526,654
Transfers intra group	-	(2,323,380)	-	(2,323,380)
Disposals	(58,421)	(303,283)	-	(361,704)
At 31 December 2019	119,257	22,639,229	1,837,557	24,596,043
Depreciation				
At 1 January 2019	74,186	12,508,426	-	12,582,612
Charge for the year on owned assets	15,172	4,116,849	-	4,132,021
Transfers intra group	-	(2,216,791)	-	(2,216,791)
Disposals	(57,829)	(303,283)	-	(361,112)
At 31 December 2019	31,529	14,105,201	-	14,136,730
Net book value				
At 31 December 2019	87,728	8,534,028	1,837,557	10,459,313
At 31 December 2018	86,438	10,085,423	-	10,171,861

Included within the Company net book value of £10,459,313 is £8,436,691 (2018: £9,955,017) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £4,053,306 (2018: £4,152,844).

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	156,591,587
Additions	38,224,675
At 31 December 2019	<u>194,816,262</u>
Impairment	
At 1 January 2019	8,144,206
Charge for the period	(196,004)
At 31 December 2019	<u>7,948,202</u>
Net book value	
At 31 December 2019	<u><u>186,868,060</u></u>
At 31 December 2018	<u><u>148,447,381</u></u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Fixed asset investments (continued)**Subsidiary undertakings**

At the year end the Company has 100% interest in the ordinary share capital of the following subsidiary companies (all of which are included in these consolidated financial statements unless indicated otherwise).

Name	Principal activity	Holding
Aalco Metals Limited	Metal stockholding	100%
Amari Metals Pension Trustees Limited	Dormant	100%
Amari Metals DC Pension Trustees Limited	Dormant	100%
Cashmores Metals Limited	Metal Stockholding	100%
Perkins Distribution Limited	Haulage	100%
Equinox International Limited	Non-trading	100%
Blackburns Metals Limited	Non-trading	100%
Laser Profiles Limited	Industrial laser cutting	100%
Durbin Metal Industries Limited	Metal stockholding	100%
Righton & Blackburns Limited (formerly Righton Limited)	Metal stockholding	100%
The Credit Centre Limited	Dormant	100%
Amari Metals China Limited	Dormant	100%
Amari Copper Alloys Limited	Metal stockholding	100%
* Cole & Swallow Materials Limited	Non-trading	100%
* Amari Precision Tubes Limited	Metal stockholding	100%
* S.S.E Pipefittings Limited	Metal stockholding	100%
* Enfield Tubes Limited	Metal stockholding	100%
Testco Limited	Dormant	100%
JM Durbin Limited	Dormant	100%
Supaflo Engineering Limited	Dormant	100%
Metalfin Limited	Metal stockholding	100%
Righton Limited	Dormant	100%
ABL Holdings Limited	Holding company	100%
+ ABL (Aluminium Components) Limited	Metal stockholding	100%
+ ABL Architectural Ltd	Metal stockholding	100%
Capalex Holdings Limited	Holding company	100%
- Capital Aluminium Extrusions Limited	Aluminium extrusions	100%
DHS Holdings Limited	Holding company	100%
^ D H Stainless Limited	Metal stockholding	100%
^Stainless Metric Stock Limited	Metal stockholding	100%
Yorkshire Stainless Limited	Metal stockholding	100%

* Held indirectly by the Company through Amari Copper Alloys Limited.

+ Held indirectly by the Company through ABL Holdings Limited.

- Held indirectly by the Company through Capalex Holdings Limited

^ Held indirectly by the Company through DHS Holdings Limited.

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

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Stocks

	Group 2019 £	<i>Group 2018 £</i>
Goods held for resale	112,035,668	<i>101,700,422</i>
	<u>112,035,668</u>	<i><u>101,700,422</u></i>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

A provision of £5,868,904 (2018: £3,843,458) has been recognised against the stock balance due to slow-moving and obsolete stock. The net increase of the provision of £2,025,446 (2018: increase of £593,594) has been recognised in the income statement.

18. Debtors

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Due after more than one year				
Deferred tax asset (Note 24)	5,721,136	<i>6,039,760</i>	-	<i>-</i>
	<u>5,721,136</u>	<i><u>6,039,760</u></i>	<u>-</u>	<i><u>-</u></i>
	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Due within one year				
Trade debtors	98,941,745	<i>103,121,122</i>	3,749	<i>198,058</i>
Amounts owed by group undertakings	-	<i>-</i>	46,083,233	<i>42,403,919</i>
Other debtors	5,042,963	<i>7,857,764</i>	6,868,150	<i>7,817,660</i>
Prepayments and accrued income	3,782,155	<i>3,062,054</i>	1,645,163	<i>1,685,298</i>
Deferred taxation (Note 24)	1,423,393	<i>1,557,609</i>	738,090	<i>603,796</i>
	<u>109,190,256</u>	<i><u>115,598,549</u></i>	<u>55,338,385</u>	<i><u>52,708,731</u></i>

A provision of £8,873,986 (2018: £7,951,894) has been made against amounts due from subsidiary undertakings which have a deficiency in net assets.

A provision of £1,103,454 (2018: £1,146,515) has been recognised against trade debtors. The net reversal of the provision of £43,061 (2018: £113,841) has been recognised in the income statement.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	33,437,608	36,101,236	916,838	910,806
Less: bank overdraft	(417,962)	-	-	-
	<u>33,019,646</u>	<u>36,101,236</u>	<u>916,838</u>	<u>910,806</u>

20. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loan	417,962	-	-	-
Trade creditors	92,408,396	113,679,428	372,246	271,951
Amounts owed to group undertakings	27,000,000	-	182,624,403	144,038,522
Corporation tax	1,030,682	993,619	-	-
Other taxation and social security	7,665,883	7,208,425	223,492	1,063,919
Obligations under finance lease (note 22)	4,032,492	4,124,545	3,967,957	4,124,545
Other creditors	9,927,685	-	6,774,866	-
Accruals and deferred income	11,561,062	13,758,552	585,112	1,213,155
	<u>154,044,162</u>	<u>139,764,569</u>	<u>194,548,076</u>	<u>150,712,092</u>

The loan was secured against the assets of Yorkshire Stainless Limited. The charge was satisfied after the balance sheet date.

Included in other creditors are amounts advanced under invoice discounting advances and were secured on the book debts of the DH Stainless Limited.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

21. Creditors: Amounts falling due after more than one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Net obligations under finance lease (note 22)	4,858,350	5,833,985	4,686,576	5,833,985
	<u>4,858,350</u>	<u>5,833,985</u>	<u>4,686,576</u>	<u>5,833,985</u>

22. Finance lease obligations

Minimum lease payments under finance lease obligations fall due as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Within one year	4,032,492	4,124,543	3,967,957	4,124,543
Between 1-5 years	4,858,350	5,833,985	4,686,576	5,833,985
	<u>8,890,842</u>	<u>9,958,528</u>	<u>8,654,533</u>	<u>9,958,528</u>

Obligations under finance leases are secured on the assets to which they relate.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	103,949,321	110,978,886	52,597,389	41,737,276
Financial liabilities				
Financial liabilities measured at amortised cost	(140,602,911)	(127,437,980)	(190,356,627)	(145,445,546)

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	7,597,369	7,452,445
Income statement movement during the year	(170,525)	73,874
Charged to other comprehensive income	(105,400)	42,055
Arising on business combinations	(144,266)	-
Income statement movement during the year in respect of defined benefit pension scheme	(32,649)	28,995
At end of year	7,144,529	7,597,369

Company

	2019 £	2018 £
At beginning of year	603,796	469,200
Income statement movement during the year	134,294	134,596
At end of year	738,090	603,796

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Fixed asset timing differences	858,012	840,029	549,814	351,736
Other timing differences	187,087	253,980	188,276	252,060
Defined benefit pension scheme liability	6,099,430	6,503,360	-	-
	7,144,529	<i>7,597,369</i>	738,090	<i>603,796</i>

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

25. Provisions

Group

	Dilapidation provision £	Onerous lease provision £	Total £
At 1 January 2019	4,121,823	6,479,931	10,601,754
Charged to profit or loss	1,137,875	(1,434,555)	(296,680)
Utilised in year	(243,330)	(214,376)	(457,706)
At 31 December 2019	5,016,368	4,831,000	9,847,368

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

25. Provisions (continued)

Company

	Dilapidation provision £	Total £
At 1 January 2019	57,956	57,956
Utilised in year	(53,588)	(53,588)
At 31 December 2019	4,368	4,368

The dilapidation provision relates to obligations under tenancy leases and are expected to be utilised over the remaining lease terms.

The onerous lease provision relates to obligations under tenancy leases that exceed the economic benefits expected to be received following the merger of Righton Limited and Blackburns Metals Limited. It is expected that some of the provision will be released before the end of the lease terms, although the amount and timing is uncertain.

26. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000,002 (2018 - 10,000,002) Ordinary shares of £1.00 each	10,000,002	10,000,002
35,600,000 (2018 - 35,600,000) Redeemable Preference shares of £1.00 each	35,600,000	35,600,000
	45,600,002	45,600,002

Ordinary shares have full rights with regards to voting, participation and dividends.

The shares rank pari-passu with the exception that the redeemable preference shares have no dividend rights. The redeemable preference shares can be redeemed at par at any time (at the option of the company) having given no less than three months previous notice in writing. The notice in writing should state the particular shares to be redeemed, the date fixed for redemption and the time and place at which the certificates for such shares are to be presented for redemption. As such, in accordance with FRS 102 section 22 'Liabilities and Equity', these shares have been presented as equity.

27. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

28. Analysis of net debt

	At 1 January 2019 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	36,101,236	(4,389,988)	1,726,360	-	33,437,608
Bank overdrafts	-	-	(417,692)	-	(417,692)
Finance leases	(9,958,530)	706,149	(48,187)	409,726	(8,890,842)
	<u>26,142,706</u>	<u>(3,683,839)</u>	<u>1,260,481</u>	<u>409,726</u>	<u>24,129,074</u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

29. Business combinations

Acquisition of ABL Holdings Limited and its subsidiary companies

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Tangible assets	1,924,125	-	1,924,125
Stocks	717,165	-	717,165
Debtors	1,262,882	-	1,262,882
Cash at bank and in hand	23,183	-	23,183
Creditor due within one year	(1,176,666)	-	(1,176,666)
Creditors due more than one year	(754,734)	-	(754,734)
Provisions	(76,300)	-	(76,300)
Total identifiable net assets	1,919,655	-	1,919,655
Goodwill			1,801,646
Total purchase consideration			3,721,301
Consideration			
			£
Cash			3,651,655
Directly attributable costs			69,646
Total purchase consideration			3,721,301

The results of ABL Holdings Limited and its subsidiary companies since its acquisition are as follows:

	Current period since acquisition £
Turnover	5,153,667
Profit for the period	462,672

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. Business combinations (continued)

Acquisition of Capalex Holdings Limited and its subsidiary

	Book value £	Fair value £
Tangible assets	770,079	770,079
Stocks	984,388	984,388
Debtors	1,107,105	1,107,105
Cash at bank and in hand	359,694	359,694
Creditors due within one year	(708,674)	(708,674)
Provisions	(83,840)	(83,840)
Total identifiable net assets	2,428,752	2,428,752
Goodwill		3,293,349
Total purchase consideration		5,722,101
Consideration		
		£
Cash		4,963,726
Contingent consideration		673,652
Directly attributable costs		84,723
Total purchase consideration		5,722,101

The results of Capalex Holdings Limited and its subsidiary since its acquisition are as follows:

	Current period since acquisition £
Turnover	5,617,620
Profit for the period	545,016

AMARI METALS LIMITED

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Acquisition of DHS Holdings Limited and its subsidiary companies

	Book value £	Fair value £
Tangible assets	1,876,380	1,876,380
Stocks	4,952,194	4,952,194
Debtors	6,559,281	6,559,281
Cash at bank and in hand	425,045	425,045
Creditors due within one year	(7,451,060)	(7,451,060)
Provisions	(182,898)	(182,898)
Total identifiable net assets	6,178,942	6,178,942
Goodwill		13,545,247
Total purchase consideration		19,724,189
Consideration		
		£
Cash		13,948,303
Deferred consideration		2,590,704
Contingent consideration		3,000,000
Directly attributable costs		185,182
Total purchase consideration		19,724,189

The results of DHS Holdings Limited and its subsidiary companies since its acquisition are as follows:

	Current period since acquisition £
Turnover	3,533,764
Profit for the period	577,339

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Acquisition of Yorkshire Stainless Limited

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible assets	566,461	-	566,461
Current assets			
Stocks	8,232,795	(2,035,000)	6,197,795
Debtors	1,987,308	-	1,987,308
Cash at bank and in hand	938,370	-	938,370
Creditors			
Creditors due within one year	(2,679,681)	-	(2,679,681)
Creditors due greater than one year	(145,937)	-	(145,937)
Total identifiable net assets	<u>8,899,316</u>	<u>(2,035,000)</u>	<u>6,864,316</u>
 Goodwill			 <u>2,192,765</u>
Total purchase consideration			<u><u>9,057,081</u></u>
 Consideration			
			£
Cash			8,849,427
Directly attributable costs			207,654
Total purchase consideration			<u><u>9,057,081</u></u>

The acquisition was made on 23rd December 2019 and therefore there is no turnover or profits since acquisition included in the Group income statement.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

30. Capital commitments

At 31 December 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Contracted for but not provided in these financial statements	1,044,868	-	794,909	-
	1,044,868	-	794,909	-

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

31. Pension commitments

Certain employees of the Group are members of a number of defined contribution and defined benefit pension schemes.

Defined contribution schemes

The Group operates a number of defined contribution schemes for the benefit of all enrolled UK employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

The pension cost for the year represents contributions due by the group to schemes in respect of the financial period and amounted to £2,583,241 (2018: £1,788,626). The amounts outstanding at the year end were £287,195 (2018: £347,290).

Defined benefit scheme

The Group operates a defined benefit pension scheme, the Amari Metals Limited Pension Scheme.

The Amari Metals Limited Pension Scheme was operated for the benefit of all enrolled UK employees of Amari Metals Limited, Aalco Metals Limited, Amari Copper Alloys Limited, Cashmores Metals Limited, Equinox International Limited and Righton & Blackburns Limited (formerly Righton Limited). The Group closed its defined benefit scheme to new members and future employee contributions on 30 September 2003. The scheme was also closed to future accrual benefits with effect from 30 September 2003. The Righton Pension scheme was acquired by the group on 31 March 2008 through the purchase of 100% of the share capital of Righton Limited. The defined benefit pension scheme was operated for the benefit of all enrolled UK employees of Righton Limited and was closed on 31 March 2005 to all future employee contributions.

With effect from 1 April 2010 a merger of the Righton Pension Scheme with the Amari Metals Limited Pension Scheme and the Amari Metals Limited DC Pension Scheme was agreed. The merger led to the majority of members of the Righton Pension Scheme transferring to the two schemes on 1 April 2010 along with all the assets of the Righton Pension Scheme that were designated to those members. All of these members became members of the Amari Metals Limited Pension Scheme or the Amari Metals Limited DC Pension Scheme on 1 April 2010.

The Righton Limited Pension Scheme was subsequently wound up. The assets of the scheme are administered by the trustees in funds independent from those of the group and invested directly on the advice of independent professional investment managers. The group will however continue to make contributions to the frozen defined benefit pension scheme in accordance with the advice of an independent actuary as to fulfil the pensions obligations in respect of members who have accrued benefits.

On 26 October 2018, the High Court of Justice in England and Wales handed down a judgement in a case relating to the equalisation of members benefits for the gender effects of Guaranteed Minimum Pensions ("GMP equalisation"). This created a precedent for other UK schemes with GMP's. As a result, the Group obtained an actuary calculation to estimate the impact. An additional expense of £2,129,000 was recognised in the income statement in respect of past service costs relating to GMP equalisation in 2018.

The most recent actuarial valuation was at 31 March 2019 when the market value of the scheme assets were £102,214,000. The actuarial value of those assets was sufficient to cover 94% of the benefits that had accrued to members.

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

31. Pension commitments (continued)

Following the latest actuarial valuation, annual contributions of £1,440,000 will be paid to the scheme, by the participating employers, in an effort to eliminate the deficit disclosed by 31 March 2026. The contribution levels are subject to review at future valuations. The group expects to pay contributions of £1,440,000 in the year to 31 December 2020.

Detailed disclosures in accordance with the provision of FRS 102 section 28 'Employee benefits' are set out below:

Reconciliation of present value of plan liabilities:

	2019 £	2018 £
At the beginning of the year	135,279,000	139,723,000
Interest cost	3,587,000	3,306,000
Actuarial gains/losses	11,774,000	(5,915,000)
Benefits paid	(3,358,000)	(3,094,000)
Past service cost	-	2,129,000
Transfers	(478,000)	(10,000)
Other	(1,057,000)	(860,000)
At the end of the year	145,747,000	135,279,000

Reconciliation of present value of plan assets:

	2019 £	2018 £
At the beginning of the year	97,311,000	102,460,000
Interest income	2,616,000	2,462,000
Actuarial gains/losses	12,394,000	(6,172,000)
Contributions	2,440,000	2,525,000
Benefits paid	(3,358,000)	(3,094,000)
Transfers	(478,000)	(10,000)
Other	(1,057,000)	(860,000)
At the end of the year	109,868,000	97,311,000

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

31. Pension commitments (continued)

Composition of plan assets:

	2019 £	2018 £
Equities	75,072,000	70,356,000
Bonds	8,328,000	7,567,000
Property	8,987,000	8,503,000
Cash	5,916,000	5,126,000
Gilts	2,619,000	1,841,000
Other	8,946,000	3,918,000
Total plan assets	109,868,000	97,311,000
	2019 £	2018 £
Fair value of plan assets	109,868,000	97,311,000
Present value of plan liabilities	(145,747,000)	(135,279,000)
Net pension scheme liability	(35,879,000)	(37,968,000)

The amounts recognised in profit or loss are as follows:

	2019 £	2018 £
Interest on obligation	(3,587,000)	(3,306,000)
Interest income on plan assets	2,616,000	2,462,000
Past service cost of guaranteed minimum pension benefits equalisation	-	(2,129,000)
Total	(971,000)	(2,973,000)
Actual return on scheme assets	2,616,000	2,462,000
Return on assets less interest cost	12,394,000	(6,172,000)
Total	15,010,000	(3,710,000)

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

31. Pension commitments (continued)

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2019	2018
	%	%
Discount rate	1.90	2.70
Revaluation of deferred pensions (non-GMP)	3.00	3.00
Pension increases: Limited Price Indexation	3.00	3.00
Pension increases: Limited Price Indexation (minimum 3%)	3.50	3.40
RPI Inflation	3.00	3.00
Mortality rates		
- for a male aged 65 now	21.5	21.8
- at 65 for a male aged 45 now	22.5	22.9
- for a female aged 65 now	23.2	23.7
- at 65 for a female member aged 45 now	24.3	25.0

The pre and post-retirement mortality assumptions used to value the benefit obligations at 31 December 2019 are based on the 102% S3PMA/110% S3PFA CMI_2018_M/F [1.00%] (2018: 100% S2PMA/100% S2PFA CMI_2017_M/F [1.00%]) mortality table with reference to members' actual years of birth.

Amounts for the current and previous four periods are as follows:

	2019	2018	2017	2016	2015
	£	£	£	£	£
Defined benefit obligation	(145,747,000)	(135,279,000)	(139,723,000)	(136,245,000)	(113,612,000)
Scheme assets	109,868,000	97,311,000	102,460,000	92,717,000	84,482,000
Deficit	<u>(35,879,000)</u>	<u>(37,968,000)</u>	<u>(37,263,000)</u>	<u>(43,528,000)</u>	<u>(29,130,000)</u>

AMARI METALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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32. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Land and buildings				
Not later than 1 year	7,295,477	8,149,518	51,460	80,210
Later than 1 year and not later than 5 years	21,585,502	24,819,217	21,231	72,902
Later than 5 years	11,217,567	11,791,615	-	-
	40,098,546	44,760,350	72,691	153,112
	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other				
Not later than 1 year	612,105	810,821	37,541	45,360
Later than 1 year and not later than 5 years	896,153	826,572	56,268	82,729
Later than 5 years	345	4,831	-	-
	1,508,603	1,642,224	93,809	128,089

33. Contingent liabilities

During the year the Company was party to a Group banking facility, including a cross guarantee, which is applicable to the Group of companies headed by Amari Metals Limited. The Company was also a guarantor on a bank credit facility advanced to its ultimate parent company. Neither the Group nor the company have pledged assets as security for these facilities.

The contingent liability under this arrangement, being the aggregate bank borrowings of the Group, at 31 December 2018 was £Nil (2018: Nil).

There are no other contingent liabilities at 31 December 2019 or at 31 December 2018.

AMARI METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

34. Related party transactions

The Group has taken advantage of the exemption contained within section 33 of FRS102 not to disclose transactions with wholly owned members of the same group.

The Group has made payments in 2019 to companies connected to certain directors of Britannia Metals Holdings, Ltd. in respect of leases of £1,746,750 (2018: £1,687,750). No material balance relating to the payments remained outstanding at the year end.

The Group also incurred fees from companies connected to certain directors of Britannia Metals Holdings, Ltd. of £4,987,432 (2018: £5,272,012) of which £Nil (2018: £509,386) was outstanding at the year end.

The Group also made sales to metal distribution companies that are connected by virtue of common control of £8,341,757 (2018: £8,185,635), of which £2,200,177 (2018: 1,841,200) was outstanding at year end.

During the year the company made a fixed asset purchase and sale with the companies that are connected by virtue of common control of £90,000 (2018: £Nil).

Compensation paid to key management personnel who are also directors is considered to relate to the directors' remuneration as disclosed within the notes to the financial statements.

35. Post balance sheet events

On 28 February 2020 the Group acquired the entire share capital of The Alternative Steel Group Limited. The acquisition will represent an increase in the size of the business of less than 2%. At the date of issue of these accounts the company is profitable and will add to the Group's financial position, whilst profitable this is not expected to be material to the Group in the early years.

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Group. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

36. Controlling party

The ultimate parent company is Britannia Metals Holdings, Ltd., a company registered in the USA.

The largest and smallest group undertakings for which audited group accounts have been drawn up is that headed by Amari Metals Limited.

The registered office of Amari Metals Limited is: Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, WS10 7WP.