

Roba Metals Limited

**Directors' report and financial
statements**

**Registered number 2090606
For the year ended 31 December 2012**



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company continues to be the marketing of non-ferrous metal scrap

Business review

Tough trading conditions throughout the year reflected the recession in the UK economy. However, the company was able to increase its sales by 25% on a volume basis and by 2% on a value basis compared to 2011.

20% of the volume sold in 2012 was non-aluminium, confirming that the company has broadened its product mix, and at the same time widened both its supplier and customer base.

Gross margin before selling costs increased by 9% compared to last year.

The 2012 stocktake result indicated that the additional control measures implemented in 2011 were effective.

The outlook for the future continues to look challenging, with a slow economy in the UK and continuing uncertainties over Europe. However, the directors are confident that they will continue to grow the business in terms of both volume and value.

Directors

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

RGM Van Geerteruy
PS Cohn
TR Sandford

Commodity price risk

The company is exposed to the risk of metal price fluctuations on purchases and sales and uses forward contracts to hedge against the price fluctuation risks.

Dividends

The directors do not propose the payment of a dividend (2011: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office

By order of the board



TR Sandford
Director

Unit 7
Kinwarton Farm Road
Arden Forest Industrial Estate
Alcester
Warwickshire
B49 6EH

6 September 2013

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH3

Independent auditor's report to the members of Roba Metals Limited

We have audited the financial statements of Roba Metals Limited for the year ended 31 December 2012 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent auditor's report to the members of Roba Metals Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Xavier Timmermans BA ACA (Senior Statutory Auditor)
for and on behalf of, KPMG LLP Statutory Auditor
Chartered Accountants

19 September 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	2	23,656,535	23,229,761
Cost of sales		(22,123,616)	(21,826,395)
Gross profit		1,532,919	1,403,366
Distribution costs		(514,303)	(91,275)
Administrative expenses		(1,058,477)	(1,383,846)
Operating loss		(39,861)	(71,755)
Other interest receivable and similar income	5	153	83
Interest payable and similar charges	6	(61,092)	(106,862)
Loss on ordinary activities before taxation	7	(100,800)	(178,534)
Tax on loss on ordinary activities	8	(3,040)	21,133
Loss for the financial year	15	(103,840)	(157,401)

Turnover and operating profit derive wholly from continuing operations

There are no recognised gains and losses in the current or preceding years other than those disclosed in the profit and loss account

In both the current and preceding years, there is no difference between the result reported above and the result reporting on the historical cost basis

Balance sheet
at 31 December 2012

	<i>Note</i>	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	9		3,050,291		3,199,717
Current assets					
Stocks	10	3,066,525		3,312,403	
Debtors	11	2,638,295		2,948,436	
Cash at bank and in hand		293,365		302,825	
		<u>5,998,185</u>		<u>6,563,664</u>	
Creditors Amounts falling due within one year	12	(5,706,366)		(6,319,249)	
Net current assets			<u>291,819</u>		<u>244,415</u>
Total assets less current liabilities			<u>3,342,110</u>		<u>3,444,132</u>
Provisions for liabilities and charges	13		(26,918)		(25,100)
Net assets			<u>3,315,192</u>		<u>3,419,032</u>
Capital and reserves					
Called up share capital	14	3,500,000		3,500,000	
Profit and loss account	15	(184,808)		(80,968)	
Shareholder funds	16		<u>3,315,192</u>		<u>3,419,032</u>

These financial statements were approved by the board of directors on 6 September 2013 and were signed on its behalf by



TR Sandford
Director

Company number 2090606

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The financial statements have been prepared on the going concern basis which the directors believe is appropriate for the following reasons

The company's ultimate parent company has confirmed that it will continue to provide financial support to the company if needed. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Related party transactions

The company is exempt from the requirements of Financial Reporting Standard 8 (Related Party Disclosures) to disclose transactions with other group undertakings or transactions with investees of the group qualifying as related parties as it is a wholly owned subsidiary and its financial statements are included in the consolidated financial statements of the ultimate parent company whose financial statements are publicly available.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	25 years
Plant and machinery	-	3-10 years
Motor vehicles	-	3-4 years
Office equipment	-	3-5 years
Furniture and fittings	-	10 years

No depreciation is provided on freehold land

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Derivative financial instruments

The company uses derivative financial instruments to hedge its exposures to metal price fluctuations. Gains and losses arising on hedging instruments are recognised on the earlier of maturity of the underlying transaction or the establishment of an offsetting transaction. The company does not hold or issue derivative financial instruments for speculative purposes.

Notes (continued)

1 Principal accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials and goods purchased for resale, the weighted average purchase price is used.

Pension costs

The company operates individual defined contribution schemes for certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts, excluding VAT, receivable by the company for goods and services supplied to customers in the ordinary course of business. Turnover is recognised when products have been delivered or services have been rendered and collectability is reasonably assured.

2 Segmental information

Geographical analysis of turnover (on a destination basis) is as follows

	2012 £	2011 £
United Kingdom	19,394,394	17,248,849
Europe	3,795,240	5,014,072
Rest of world	466,901	966,840
	23,656,535	23,229,761

Notes (continued)

3 Staff numbers and costs

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

	Number of employees	
	2012	2011
Directors	3	3
Sales	4	3
Management	2	1
Administrative	4	4
Warehouse	11	10
	<u>24</u>	<u>21</u>

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	650,510	672,319
Social security costs	68,674	65,033
Other pension costs	64,672	63,116
	<u>783,856</u>	<u>800,468</u>

4 Directors' emoluments

Total directors' emoluments for the year were £71,543 (2011 £66,000). In addition, contributions of £11,950 (2011 £11,406) were paid into a personal pension plan in respect of one director (2011 one director).

5 Interest receivable and similar income

	2012 £	2011 £
Bank interest	24	83
Exchange gains	-	-
Other interest receivable	129	-
	<u>153</u>	<u>83</u>

6 Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	12,266	249
On short term loan from Roba Metals BV	47,805	106,616
Exchange losses	1,021	-
	<u>61,092</u>	<u>106,862</u>

Notes (continued)

7 Loss on ordinary activities

	2012 £	2011 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Depreciation	219,193	192,144
Hire of plant and machinery – rentals payable under operating leases	23,481	25,856
(Profit)/loss on sale of fixed assets	(4,500)	12,119
<i>Auditor's remuneration</i>		
Audit of these financial statements	15,500	15,500
Amounts receivable by the auditors and their associates in respect of Other services relating to taxation	2,815	2,815

8 Tax on loss on ordinary activities

(i) Analysis of charge/(credit) for the year

	2012 £	£	2011 £	£
<i>UK corporation tax</i>				
Current tax on income for the year	4,298		(49,299)	
Adjustments in respect of prior years	(3,075)		(434)	
Total current tax		1,223		(49,733)
<i>Deferred tax (see note 13)</i>				
Origination/reversal of timing difference	1,930		29,917	
Effect of changes in tax rate	(2,173)		(1,317)	
Adjustments in respect of prior years	2,060			
		1,817		28,600
Tax charge/(credit) on loss on ordinary activities		3,040		(21,133)

Notes (continued)

8 Tax on loss on ordinary activities (continued)

(ii) Factors affecting the tax charge/(credit) for the year

The current tax charge/(credit) for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before taxation	(100,800)	(178,534)
Current tax at 24.5% (2011 26.5%)	(24,696)	(47,312)
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,097	990
Marginal relief	(967)	-
Depreciation on ineligible	30,031	26,905
Capital allowances for the year lower than/ (in excess of) depreciation	173	(30,543)
(Decrease)/increase in other timing differences	(1,340)	661
Adjustment in respect of previous periods	(3,075)	(434)
Total current tax (credit)/charge (see above)	1,223	(49,733)

Factors that may affect future charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability at 31 December 2012 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date).

Notes (continued)

9 Tangible fixed assets

	Freehold land and buildings	Long leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures, fittings and office equipment	Total
	£	£	£	£	£	£
Cost						
At beginning of year	1,542,820	1,916,248	823,580	129,710	162,422	4,574,780
Additions	-	-	35,863	30,000	3,904	69,767
Disposals	-	-	(24,714)	-	-	(24,714)
At end of year	1,542,820	1,916,248	834,729	159,710	166,326	4,619,833
Depreciation						
At beginning of year	490,047	70,306	662,129	33,733	118,848	1,375,063
Charged in year	49,312	77,639	38,374	38,425	15,443	219,193
Disposals	-	-	(24,714)	-	-	(24,714)
At end of year	539,359	147,945	675,789	72,158	134,291	1,569,542
Net book value						
At 31 December 2012	1,003,461	1,768,303	158,940	87,552	32,035	3,050,291
At 31 December 2011	1,052,773	1,845,942	161,451	95,977	43,574	3,199,717

Freehold land and buildings includes £359,099 (2011 £358,099) of land which is not depreciated

10 Stocks

	2012 £	2011 £
Goods for resale	3,066,525	3,312,403

11 Debtors

	2012 £	2011 £
Trade debtors	2,302,244	2,535,227
Amounts owed by group undertakings	186,806	179,914
Other debtors	88,219	160,661
Prepayments and accrued income	61,026	49,593
Corporation tax receivable	-	23,041
	2,638,295	2,948,436

Notes (continued)

12 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	1,301,250	1,438,144
Amounts owed to group undertakings		
Current accounts	1,899,917	1,750,661
Short term loan (unsecured)	2,300,000	2,955,103
Other taxes and social security	25,986	21,697
Accruals and deferred income	175,044	153,644
Corporation tax	4,169	-
	<u>5,706,366</u>	<u>6,319,249</u>

There are no fixed repayment terms for the short term loan. Interest is charged on the outstanding balance on a quarterly basis. The rate of interest is variable.

13 Provisions for liabilities and charges

	Deferred tax £
Deferred tax liability at beginning of year	25,100
Charge to the profit and loss for period	1,818
	<u>26,918</u>
Deferred tax liability at end of year	<u>26,918</u>

The elements of deferred taxation are as follows

	2012	2011
	£	£
Difference between accumulated depreciation and capital allowances	38,664	38,453
Other timing differences	(11,746)	(13,353)
	<u>26,918</u>	<u>25,100</u>
Deferred tax liability	<u>26,918</u>	<u>25,100</u>

Notes (continued)

14 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
3,500,000 (2011 3,500,000) ordinary shares of £1 each	3,500,000	3,500,000

15 Profit and loss account

	Profit and loss account £
At beginning of year	(80,968)
Loss for the financial year	(103,840)
At end of year	(184,808)

16 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(103,840)	(157,401)
Increase in share capital	-	944,897
Net (decrease)/increase in shareholders' funds	(103,840)	787,496
Opening shareholders' funds	3,419,032	2,631,536
Closing shareholders' funds	3,315,192	3,419,032

17 Guarantees and other financial commitments

Annual commitments under non cancellable operating leases are as follows

	2012 £	2011 £
Operating leases which expire in the second to fifth years inclusive	25,376	19,764

18 Commitments

The company had no capital commitments at 31 December 2012 (2011 £Nil)

Notes (continued)

19 Pension scheme

The company operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the company to the fund and amounted to £64,672 (2011 £63,116)

Contributions outstanding at the end of the financial year amounted to £589 (2011 £3,029)

20 Financial Instruments

The purchase value of futures contracts as at 31 December 2012 is £264,696 (2011 £686,579) and sales value of future contracts as at 31 December 2012 is £242,656 (2011 £696,158). The fair value of these futures contracts outstanding at the year end is an unrealised profit of £12,332 (2011 £4,391)

21 Ultimate parent company

The ultimate parent undertaking and the ultimate controlling party is Roba Holding BV, which is incorporated in the Netherlands. The consolidated financial statements of this group are available to the public and are obtainable from

Kamer van Koophandel en Fabrieken voor Utrecht en Omstreken
Postbus 48
3500 AA Utrecht
The Netherlands