

Company registration number: 05060421

Vincom Commodities Limited

Financial statements

31 March 2017

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Vincom Commodities Limited

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Vincom Commodities Limited

Directors and other information

Director	Mr Anil Kumar
Secretary	Mr Anil Kumar
Company number	05060421
Registered office	104 New Bond Street London W1S 1SU
Business address	104 New Bond Street London W1S 1SU
Auditor	RSM UK Audit LLP, Statutory Auditor 25 Farringdon Street London EC4A 4AB
Bankers	Natwest Bank Plc Holborn Circus Branch PO Box No 204 No1 Hatton Garden London EC1P 1DU
Solicitors	Penningtons Manches LLP Abacus House 33 Gutter Lane London EC2V 8AR

Vincom Commodities Limited

**Strategic report
Year ended 31 March 2017**

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The turnover and purchases of metals including commission based turnover and purchases during the year amounted to \$519m (2016: \$458m) and \$517m (2016: \$457m) respectively.

The director considers the results for the year and the state of affairs of the company to be satisfactory.

The director considers that the company's main business risks are those uncertainties of market conditions and future forward contracts of commodities prices. The company is constantly reviewing its financial risk policies to ensure all risk associated to it are minimized.

Company's turnover has overall increased by 13.3% from last year, and the gross profit percentage increased from 0.31% to 0.32%.

Operating profit was \$899,219 (2016: \$194,879) and profit before tax was \$393,021 (2016: Loss \$176,660) which has resulted in the company's net assets increasing to \$12,534,927.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The overseas export markets are highly competitive and margins continue to be tight in particular under the current difficult economic climate. However, the company director believes that the company has sufficient strength to be able to continue successfully in the future.

KEY PERFORMANCE INDICATORS

The director does not review key performance indicators to monitor the performance of the business other than gross profit margins and operating profit as detailed above.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

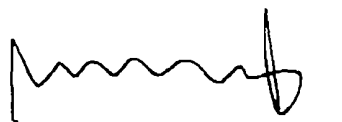
The company incurs foreign exchange exposure by virtue of its business trading, but these exposures are eliminated by the company's pricing policy.

The company enters into future contracts with both buyers and sellers often well in advance of actual performance. It therefore incurs gains or losses on future forward contracts particularly given the market prices of the commodities concerned may move considerably over the intervening period to performance. The company is aware of such exposure and has various systems to attempt to monitor and control it.

RESULT AND DIVIDENDS

The profit for the year, after taxation, amounted to \$393,021 (2016: Loss \$176,660). The director does not recommend the payment of a dividend (2016: \$Nil).

This report was approved by the board of directors on 26 July 2017 and signed on behalf of the board by:



Mr Anil Kumar
Director

Vincom Commodities Limited

Director's report Year ended 31 March 2017

The director presents his report and the financial statements of the company for the year ended 31 March 2017.

Director

The director who served the company during the year was as follows:

Mr Anil Kumar

Dividends

The director does not recommends the payment of a dividend (2016: \$ Nil).

Disclosure of information in the strategic report.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

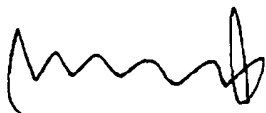
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Vincom Commodities Limited

Director's report (continued)
Year ended 31 March 2017

This report was approved by the board of directors on 26 July 2017 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a series of connected loops and a final vertical stroke.

Mr Anil Kumar
Director

Vincom Commodities Limited

Independent auditor's report to the member of Vincom Commodities Limited Year ended 31 March 2017

Opinion on financial statements

We have audited the financial statements of Vincom Commodities Limited for the year ended 31 March 2017 on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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 the returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

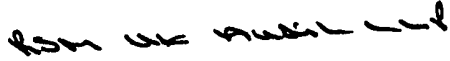
Respective responsibilities of director and auditor

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

This report is made solely to the company's member, 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 member those matters we are required to state to in an auditors 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Vincom Commodities Limited

**Independent auditor's report to the member of
Vincom Commodities Limited (continued)
Year ended 31 March 2017**



Paul Newman (senior statutory auditor)

For and on behalf of
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

28 July 2017

Vincom Commodities Limited

**Statement of Income and retained earnings
Year ended 31 March 2017**

	Note	2017 \$	2016 \$
Turnover	4	518,943,260	458,298,136
Cost of sales		(517,277,809)	(456,862,945)
Gross profit		<u>1,665,451</u>	<u>1,435,191</u>
Administrative expenses		(999,717)	(1,240,312)
Other operating income	5	233,485	-
Operating profit	6	<u>899,219</u>	<u>194,879</u>
Interest payable and similar expenses	9	(506,198)	(371,539)
Profit/(loss) before taxation		<u>393,021</u>	<u>(176,660)</u>
Tax on profit/(loss)	10	-	-
Profit/(loss) for the financial year and total comprehensive income		<u><u>393,021</u></u>	<u><u>(176,660)</u></u>
Retained earnings at the start of the year		<u>158,406</u>	<u>335,066</u>
Retained earnings at the end of the year		<u><u>551,427</u></u>	<u><u>158,406</u></u>

All the activities of the company are from continuing operations.

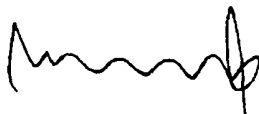
The notes on pages 10 to 17 form part of these financial statements.

Vincom Commodities Limited

**Statement of financial position
31 March 2017**

	Note	2017 \$	\$	2016 \$	\$
Fixed assets					
Tangible assets	11	<u>171</u>		<u>214</u>	
			171		214
Current assets					
Debtors	12	69,225,405		40,427,603	
Cash at bank and in hand		<u>1,194,135</u>		<u>491,829</u>	
		70,419,540		40,919,432	
Creditors: amounts falling due within one year	14	<u>(57,884,784)</u>		<u>(28,777,740)</u>	
Net current assets		<u>12,534,756</u>		<u>12,141,692</u>	
Total assets less current liabilities		<u>12,534,927</u>		<u>12,141,906</u>	
Net assets		<u>12,534,927</u>		<u>12,141,906</u>	
Capital and reserves					
Called up share capital	16	11,983,500		11,983,500	
Profit and loss account		<u>551,427</u>		<u>158,406</u>	
Shareholder funds		<u>12,534,927</u>		<u>12,141,906</u>	

These financial statements were approved by the board of directors and authorised for issue on 26 July 2017, and are signed on behalf of the board by:



Mr Anil Kumar
Director

Company registration number: 05060421

The notes on pages 10 to 17 form part of these financial statements.

Vincom Commodities Limited

**Statement of cash flows
Year ended 31 March 2017**

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Profit/(loss) for the financial year		393,021	(176,660)
<i>Adjustments for:</i>			
Depreciation of tangible assets		43	54
Interest payable and similar expenses		506,198	371,539
Accrued expenses/(income)		(1,862,199)	4,841
<i>Changes in:</i>			
Trade and other debtors		(26,926,946)	(7,082,458)
Trade and other creditors		18,379,515	900,890
Cash generated from operations		(9,510,368)	(5,981,794)
Interest paid		(506,198)	(371,539)
Tax paid		-	27,540
Net cash used in operating activities		<u>(10,016,566)</u>	<u>(6,325,793)</u>
Cash flows from financing activities			
Proceeds from borrowings		(942)	98,674
Proceeds from loans from group undertakings		306,057	(199,636)
Net cash from/(used in) financing activities		<u>305,115</u>	<u>(100,962)</u>
Net increase/(decrease) in cash and cash equivalents		(9,711,451)	(6,426,755)
Cash and cash equivalents at beginning of year	13	(17,863,233)	(11,436,478)
Cash and cash equivalents at end of year	13	<u>(27,574,684)</u>	<u>(17,863,233)</u>

Vincom Commodities Limited

Notes to the financial statements

Year ended 31 March 2017

1. **General information**

The company is a private company limited by shares, registered in England. The address of the registered office is 104 New Bond Street, London, W1S 1SU.

The principal activities of the company are buying and selling non-ferrous metal and petroleum refined products.
2. **Statement of compliance**

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

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole \$1, except where otherwise indicated.

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

Turnover

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

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

Taxation

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

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

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

Foreign currencies

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

Vincom Commodities Limited

Notes to the financial statements (continued) Year ended 31 March 2017

Operating leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee, or the lessee, where the company is a lessor.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

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

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

Depreciation

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

Fittings fixtures and equipment	- 20%	reducing balance
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

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

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

Vincom Commodities Limited

Notes to the financial statements (continued) Year ended 31 March 2017

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Metal exchange contracts

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

4. Turnover

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

	2017	2016
	\$	\$
Asia & Far East	226,621,312	194,006,062
Europe	292,321,948	264,292,074
	<u>518,943,260</u>	<u>458,298,136</u>

5. Other operating income

	2017	2016
	\$	\$
Other operating income	<u>233,485</u>	<u>-</u>

Vincom Commodities Limited

Notes to the financial statements (continued)
Year ended 31 March 2017

6. Operating profit/loss

Operating profit/loss is stated after charging/(crediting):

	2017	2016
	\$	\$
Depreciation of tangible assets	43	54
Impairment of trade debtors	5,378	413,500
Operating lease rentals	(4,262)	48,760
Foreign exchange differences	(3,313)	645
Fees payable for the audit of the financial statements	42,099	42,884
	<u>42,099</u>	<u>42,884</u>

7. Staff costs

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

	2017	2016
Administrative staff	4	3
	<u>4</u>	<u>3</u>

The aggregate payroll costs incurred during the year were:

	2017	2016
	\$	\$
Wages and salaries	147,667	130,511
Social security costs	10,971	12,822
	<u>158,638</u>	<u>143,333</u>

8. Directors remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2017	2016
	\$	\$
Remuneration	46,900	43,238
	<u>46,900</u>	<u>43,238</u>

9. Interest payable and similar expenses

	2017	2016
	\$	\$
Bank loans and overdrafts	506,198	371,539
	<u>506,198</u>	<u>371,539</u>

Vincom Commodities Limited

Notes to the financial statements (continued)
Year ended 31 March 2017

10. Tax on profit/loss

Reconciliation of tax expense

	2017	2016
	\$	\$
Profit/(loss) before taxation	<u>393,021</u>	<u>(176,660)</u>
Profit/(loss) multiplied by rate of tax	74,674	(35,332)
Effect of expenses not deductible for tax purposes	8	11
Unrelieved tax losses	<u>(74,682)</u>	<u>35,321</u>
Tax on profit/loss	-	-

Factors affecting future tax expense

No deferred tax asset has been recognised in relation to the losses carried forward of \$253k (2016: \$646k) due to uncertainty regarding the timing of future profits.

11. Tangible assets

	Fixtures, fittings and equipment	Total
	\$	\$
Cost		
At 1 April 2016 and 31 March 2017	<u>863</u>	<u>863</u>
Depreciation		
At 1 April 2016	649	649
Charge for the year	43	43
At 31 March 2017	<u>692</u>	<u>692</u>
Carrying amount		
At 31 March 2017	<u>171</u>	<u>171</u>
At 31 March 2016	<u>214</u>	<u>214</u>

12. Debtors

	2017	2016
	\$	\$
Trade debtors	66,496,133	38,881,365
Prepayments and accrued income	1,878,561	32,354
Other debtors	850,711	1,513,884
	<u>69,225,405</u>	<u>40,427,603</u>

Vincom Commodities Limited

Notes to the financial statements (continued)
Year ended 31 March 2017

13. Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	1,194,135	491,829
Bank trade finance	(28,768,819)	(18,355,062)
	<u>(27,574,684)</u>	<u>(17,863,233)</u>

14. Creditors: amounts falling due within one year

	2017	2016
	\$	\$
Bank trade finance	28,768,819	18,355,062
Trade creditors	15,450,391	9,914,736
Amounts owed to group undertakings	571,904	265,847
Accruals and deferred income	12,491,864	37,500
Social security and other taxes	6	4,303
Director loan accounts	199,350	200,292
Other creditors	402,450	-
	<u>57,884,784</u>	<u>28,777,740</u>

Certain banking facilities are secured by the underlying collateral/goods of the transactions financed.

15. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017	2016
	\$	\$
Financial assets that are debt instruments measured at amortised cost		
Debtors	67,017,804	40,395,249
Cash at bank and in hand	1,194,135	491,829
	<u>68,211,939</u>	<u>40,887,078</u>
Financial liabilities measured at amortised cost		
Financial liabilities	<u>(57,328,605)</u>	<u>(28,777,740)</u>

The fair value of all of the company's financial assets and liabilities is represented by the carrying value in the balance sheet. All investment valuations meet the fair value measurement and recognition criteria set out by section 11 of 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Vincom Commodities Limited

Notes to the financial statements (continued)
Year ended 31 March 2017

16. Called up share capital
Issued, called up and fully paid

	2017		2016	
	No	\$	No	\$
Ordinary shares shares of \$ 1.00 each	11,983,500	11,983,500	11,983,500	11,983,500

17. Operating leases

The company as lessee

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

	2017	2016
	\$	\$
Not later than 1 year	73,485	44,761
Later than 1 year and not later than 5 years	489,900	-
Later than 5 years	195,960	-
	<u>759,345</u>	<u>44,761</u>

18. Contingent assets and liabilities

As part of Vincom's ordinary sourcing and procurement of physical commodities, the selling party may request that a financial institution act as the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit. As at 31 March 2017, \$1.1m (2016: \$6.4m) of such commitments had been issued on behalf of Vincom, which will generally be settled simultaneously with the payment of such commodity.

Vincom Commodities Limited

Notes to the financial statements (continued)
Year ended 31 March 2017

19. Directors advances, credits and guarantees

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

2017		Balance brought forward	Advances /(credits) to the director	Balance o/standing
		\$	\$	\$
Mr Anil Kumar		(200,292)	942	(199,350)
		<u> </u>	<u> </u>	<u> </u>
2016		Balance brought forward	Advances /(credits) to the director	Balance o/standing
		\$	\$	\$
Mr Anil Kumar		(101,618)	(98,674)	(200,292)
		<u> </u>	<u> </u>	<u> </u>

20. Related party transactions

At the year end, balances owing to Vogue Asia Ltd and Ransat Ceramics Ltd were \$176,781 (2016: \$176,781) and \$395,123 (2016:\$89,066) respectively. Mr A Kumar, sole director, had an interest in both companies.

In the year, the company received rent \$100k (2016: \$100K) from a company whose sole director is Mr A Kumar.

21. Controlling party

The ultimate parent company is Vogue Asia Limited, a company registered in Dubai, UAE.
The ultimate controlling party is Mr Anil Kumar.