

OS AA01

Statement of details of parent law and other
information for an overseas company



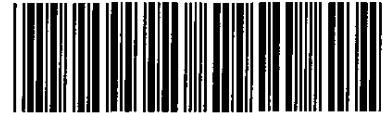
Companies House

000351/180

☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

☐ **What this form is NOT for**
You cannot use this form
for an alteration of manner of
with accounting requirements.

SATURDAY



A9830HWG

A04

27/06/2020

#5

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

WRC World Resources Company GmbH

UK establishment
number

B R 0 1 2 7 6 8

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1

Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ②

German Commercial Code (HGB)

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2

Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ **No. Go to Section A3.**

☒ **Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.**

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

A3

Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ **No. Go to Section A5.**

☒ **Yes. Go to Section A4.**

OS AA01

Statement of details of parent law and other information for an overseas company

A4**Audited accounts**

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ No. Go to Part 3 'Signature'. ☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.	Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft	

A5**Unaudited accounts**

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ No. ☒ Yes.
--------------------	---

Part 3**Signature**

I am signing this form on behalf of the overseas company.	
Signature	Signature X  X RESOURCES COMPANY GMBH Industriestraße 7 04808 WÜRZEN 034 25 / 90 46 0 • Fax 0 34 25 / 90 46 90
This form may be signed by: Director, Secretary, Permanent representative.	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Michael Zimmer
Company name	WRC World Resources Company
GmbH	
Address	Industriestrasse 7
Post town	Wurzen
Country/Region	
Postcode	D E - 0 4 8 0 8
Country	Germany
DX	
Telephone	+49 3425 9046 0



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Name	Department	Information	Publication date
WRC World Resources Company GmbH Wurzen	Accounting/Financial reporting	Annual financial statement regarding the financial year from 01/01/2017 to 31/12/2017	17/01/2019

WRC World Resources Company GmbH**Wurzen****Summary Annual Financial Report for the Financial Year from 01/01/2017 to 31/12/2017****Management Report for the 2017 Financial Year****I. Basics of the Company**

WRC World Resources Company, Wurzen (WRC GmbH) operates a modern, environmentally friendly recycling facility at which residual materials containing metal from various industries (from electronics to aviation and surface-treatment industries to automotive and jewellery industries) are recycled.

The residual materials are processed to metal concentrates at the WRC production facilities and sold worldwide to non-ferrous metal plants as freely marketable products. As a result, valuable, irreplaceable natural resources are saved, while the negative impact of industries on the environment is reduced by processing these residual materials into a reusable product.

II. Macro-economic and industry-specific framework conditions

The global economy clearly picked up speed during the calendar year 2017 and made a good start into 2018. Overall, according to IMF, global economic growth of 3.7% (previous year: 3.1%) was achieved during the year under review. The consequences of the global financial crisis have been mostly overcome, especially in the stronger, industrially shaped continents such as Europe and North America. In Russia, despite the ongoing sanctions, there was an improvement in the economy after the recession of the previous year, which particularly contributed towards the stabilising of raw material prices. In India the growth of the previous year continues.

The growth in Europe plays a large part in the rise of the global economic performance. The good economic situation is a result of the relaxed monetary policy of the ECB and strong foreign demand in the course of global economic recovery. During the period under review there was continuing evidence of the robust and widespread economic upturn seen the second half of 2016. The economic growth increased from 1.7% in 2016 to 2.4% in 2017. The formative forces of the economic development in the Euro area are the moderately increasing oil prices, the high foreign demand and the good value of the Euro against the US dollar. According to the Bundesbank's assessment, the German economy is in a boom period and is well prepared for the year 2018. This was ensured by strong growth in incoming orders from industry and exports, the even more positive mood among consumers and the sharp rise in sales price expectations for industry. The Bundesbank notes that property, plant and equipment are largely at full capacity, which speaks for higher corporate investments. The upswing in Germany continues to be maintained by a high domestic dynamism, which is mainly reflected in the above average construction activity and the good situation in the labour market. Due to the increasing demand for capital goods both at home and abroad, the local economic development stands on increasingly solid ground.

In the procurement of the metalliferous residual materials, WRC GmbH depends on the general economic development. Therefore, economic fluctuations constitute an essential factor influencing the offered volume. In addition, success in sales largely depends on the development of raw material prices, which rose significantly in the second half of 2017 after they had fallen during the first half of the year. The HWWI Overall Raw Material Index rose from 109 to 119 points in 2017 resulting in 9% increase in raw material prices (in US dollars) for the year 2017. This was also due to the oil price which accounts for a significant share in the overall index. The price of industrial raw materials in 2017 rose by 3%. In the first half of the year low expectations of the global economy and a surplus, particularly of iron ore, allowed prices of industrial raw materials to fall for

the moment. The index for industrial raw materials reached its monthly average peak in June 2017 with 106 points. In the second half of the year, the industrial raw material prices rose again. Above all, of great importance is the development of the non-ferrous metal prices which, with an increase of 15% made a significant contribution towards the price increase of industrial raw materials, especially in the second half of the year.

III. Development of business

In the procurement of the metalliferous residual materials (+1%) and in the production volume (-1%), the high level of the previous year was maintained.

Processing of the metalliferous residual materials into quality-compliant non-ferrous metal concentrates in line with the buyers' requirements was ensured at all times.

Because of the increasing prices for numerous precious and industrial metals on the global market, after a weak first half year and a rise in the second half year, the company was able to secure a considerable contribution margin and an overall a positive corporate result for the 2017 financial year.

As expected, the stock of finished products has reduced due to increased purchases. The stock was reduced further during the first months of 2018.

In addition to rationalisation and replacement investments, the 2017 investing activities comprising around k€ 178 (previous year: k€ 87) included, in particular, further investments in our facility for the chemical and physical handling of solid and liquid residual materials. At the end of 2015 construction of the facility, which had started in the year 2014, was completed and a trial run had taken place. The facility has been in operation since the first half of 2016.

In addition to quality assurance environmental protection, safety-at-work and the protection of the employees' health are of major importance at WRC GmbH as non-financial performance indicators. The respective systems are summarised in an integrated management system.

In 2017, the integrated management system was successfully audited and certified according to ISO 9001:2015, ISO 14001:2015, ISO 50001:2011 and OHSAS 18001:2007.

Moreover, WRC GmbH was recertified as a qualified disposal company.

All certificates were issued without restriction. With its integrated management system, WRC GmbH documents the disposal of the materials received in line with environmental and quality requirements, the proper production of the metal concentrate products as well as compliance with high safety-at-work and health protection standards at all times.

With, on an annual average, 78 employees (excluding managing directors), the number of employees and the workforce structure remained unchanged. Both internal and external further training measures were used for further training of our staff.

Corporate training of apprentices – vocational training as laboratory chemists and chemical technicians – is still assigned high importance. This apprenticeship offer is intended to support the recruitment of new staff for the laboratory and production sector.

IV. Current situation

The company's situation remains stable. A positive pre-tax result of k€ 575 (previous year: k€ 5) was recorded, which is used as a central financial performance indicator for the internal control of the company.

Because of the developments on the world markets outlined above, with planning, higher revenues could be achieved. Compared to the previous year, the sales revenue increased by around 9% to k€ 22,071. On this basis, the previous year's forecast which predicted a low annual profit was exceeded.

Compared with the previous year's balance sheet deadline, the balance sheet total declined slightly. On the assets side, accounts receivable figures increased. Inventories decreased accordingly. Likewise, fixed assets declined because of the depreciations made. In contrast, on the assets side there was a fall in reserves mostly due to the omission of the smelting costs on the qualifying date. Equity also declined due to the advance profit distributions already made from the net income and the annual net profit in the amount of k€ 810. In view of equity of k€ 18,124, the share of assets financed from own funds was 75% as of the balance sheet date and, hence, reduced by one percentage point compared with the previous year.

The company fulfilled its payment obligations to the full extent in the 2017 financial year. Long-term banking liabilities were repaid as planned. Ongoing business operations were financed from funds generated by the company. In the event of major liquidity fluctuations, free credit lines of k€ 1,494 and cash reserves of k€ 2,983 were available. These declined by k€ 367 compared with the previous year. It should be noted that funds not required by the shareholders were made available as additional funds (k€ 340). Funds generated by the company can also virtually cover cash expenditures e.g. from investments in tangible assets and property, plant and equipment (k€ 108 without post-capitalisation, previous year k€ 87), from advance profit distributions (k€ 200; previous year: k€ 0) and from the (net) reduction in bank liabilities (k€ 243; previous year net income: k€ 1,792).

V. Probable development and future risks and opportunities

As a result of the global economic framework conditions, a continuation of the boom on the commodity markets can be expected for 2018. Because of the increasing economic uncertainties which might result from protectionist trends in the developed economies, geopolitical conflicts and Brexit, we do not expect to observe any significant movements in metal prices on the world market.

Therefore, in our planning we assumed a lateral movement of metal prices and assume a positive operating result before taxes approximately at the level of the past financial year for the 2018 financial year.

In this respect, the acquisition of delivery customers has to be further promoted. The preconditions for the expansion of the customer base as well as market expansion are safeguarded in terms of organisation, human resources and equipment by the marketing department in charge of procurement in Wurzen as well as by the field offices in France, England, Italy, Switzerland and Spain as well as in Turkey.

The WRC production process is based on a process of the shareholder World Resources Company. At present, the company's research and development activities are limited to the further development of the processes, the optimisation of processes and the reduction of strains on the environment

Qualified staff and the production-technology equipment are provided as preconditions for the appropriate processing of metalliferous residual materials.

Required rationalisation investments to stabilise and increase production capacities are carried out continuously and have been financed through own funds so far.

Our company's risk management is primarily based on the management structure, the planning system as well as the reporting and information systems used. The reporting system is supplemented by constant monitoring of all financial flows. With the help of this risk management system we carry out risk assessments and develop risk minimisation strategies. The risk analysis shows that, at present, there are no fundamental risks or risk jeopardising the continued existence of the company.

Adequate, manageable and controllable risks are consciously assumed; this also applies to price and foreign currency risks with regard to which we do not take out any additional insurance. In view of the development of business to be expected, the company will largely finance itself through funds which it will generate itself in the 2018 financial year as in the past financial year. There are plans to use the available credit lines exclusively to balance liquidity fluctuations.

Abridged Balance Sheet as of 31st December 2017

Assets

	31/12/2017 €	31/12/2016 €
A. Fixed assets		
I. Intangible assets		
Purchased software	2.878,00	0.00
II. Property, plant and equipment		
1. Land and buildings	1,674,479.21	1,783,910.21
2. Technical equipment and machinery	3,408,937.00	4,012,719.00
3. Other plant, operating and business equipment	261,046.00	313,135.00
4. Payments made on account and plants under construction	5,361.80	6,775.00
	5,349,824.01	6,116,539.21
III. Financial assets		
Loans to shareholders	5,700,477.03	5,360,340.98
	11,053,179.04	11,476,880.19
B. Current assets		
I. Inventories	3,028,829.68	4,378,000.00
II. Receivables and other assets	6,972,117.20	5,088,170.97
(of which receivables from shareholders €0.00; 31/12/2016: €19,921.77)		
III. Cash on hand and cash at bank	2,982,902.69	3,349,525.27
	12,983,849.57	12,815,696.24
C. Accrual	33,356.49	27,575.51
	24,070,385.10	24,320,151.94

Liabilities

	31/12/2017 €	31/12/2016 €
A. Equity		
I. Subscribed capital	1,533,875.64	1,533,875.64
II. Capital reserves	3,837,143.31	3,837,143.31
III. Balance sheet profit	12,752,511.87	13,103,836.51
	18,123,530.82	18,474,855.46
B. Special item for investment grants received	14,289.00	29,877.00
C. Provisions	1,186,132.70	2,585,540.00
D. Liabilities		
(of which liabilities to banks € 1,754,602.00; 31/12/2016: €1,997,234.00)		
(of which liabilities to shareholders € 707,291.23; 31/12/2016: € 0.00)		
(of which from taxes € 312,978.11; 31/12/2016: €146,690.68)		
(of which in the framework of social security: € 32,251.54; 31/12/2016: €43,685.72)		
	4,746,432.58	3,229,879.48
	24,070,385.10	24,320,151.94

Profit and Loss Account for the Period from 1st January to 31st December 2017

	2017 €	2016 €
1. Gross profit	7,823,007.84	7,418,853.56
2. Personnel expenses		
a) Wages and salaries	-3,506,671.13	-3,643,779.21
b) Social insurance contributions	-570,186.17	-597,291.95
	-4,076,857.30	-4,241,071.16
3. Depreciations on intangible assets of fixed assets and property, plant and equipment	-942,232.41	-954,833.35
4. Other operating expenses	-2,238,394.63	-2,260,996.84
	565,523.50	-38,047.79
5. Income from loans of financial assets	60,101.57	36,506.96
6. Other interest and similar income	81.46	51,912.08

	2017 €	2016 €
7. Interest and similar expenses	-50,718.84	-45,632.70
8. Taxes on income and profit	-98,298.70	35,270.50
9. Profit after taxes	476,688.99	40,009.05
10. Other taxes	-18,013.63	-16,811.07
11. Annual net profit	458,675.36	23,197.98
12. Profit brought forward	13,103,836.51	13,080,638.53
13. Advance distribution	810,000.00	0.00
14. Balance sheet profit	12,752,511.87	13,103,836.51

Notes regarding the 2017 Financial Year**I. General notes**

WRC World Resources Company GmbH is based in Wurzen and it is registered in the commercial register of Leipzig Local Court (HRB 12175).

The annual financial statement of WRC World Resources Company GmbH, Wurzen, (WRC) was prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Limited Liability Company Law (GmbH).

According to section 267 sub-section 2 HGB, the company is a medium-sized joint-stock company. The easement options under sections 276 and 288 sub-section 2 HGB for medium-sized joint-stock companies were used.

The structure of the profit and loss account is based on the aggregate cost method according to section 275 sub-section 2 HGB.

Since section 276 HGB is used, the items under section 275 sub-section 2 no. 1 to 5 HGB are summarised into one item under the title "Gross profit".

The "of which" notes regarding income and expenses from currency conversion according to section 277 sub-section 5 sentence 2 HGB were included in the notes.

II. Balancing and accounting principles**1. Assets**

The **fixed assets** are assessed at costs of acquisition and production and, in as far as such are subject to wear, they are basically reduced by tax recommended scheduled depreciations (linear method) over their respective foreseeable period of use. The depreciations are based on the following periods of use:

- Purchased intangible assets: 3 to 5 years;
- Buildings: 7 to 40 years;
- Technical equipment and machinery: 4 to 20 years;
- Operating and business equipment: 4 to 16 years.

Assets with costs of acquisition from € 150.00 to € 1,000.00 are summarised in a compound item which is reversed with profit-reducing effect over a period of five years as of the year of its formation.

In the case of **financial assets**, unscheduled depreciations are not made for impairments which are likely not to be permanent.

Inventories are assessed at costs of acquisition and production and under consideration of the lower-of-cost-or-market principle. The payments made on account which were openly deducted from inventories were assessed at their nominal value.

Unfinished and finished products are assessed on the basis of the production costs which can be capitalised less the proportionate share in the production costs covered by the recycling fees charged. In all cases, the assessment was made on a loss-free basis; i.e. in as far as the probable sales prices less the costs incurred until the sale lead to a lower fair value, corresponding depreciations were made. The probable sales prices are established on the basis of the determined metal content of the input material and of the current metal prices. Moreover, a deduction is made from this assessment basis taking account of valuation fluctuations, e.g. caused by deviations in the analysis.

Receivables and other assets are assessed at the nominal value or at the lower value to be applied on the balance sheet deadline. The specific valuation allowances take sufficient account of the default risk.

The accounts receivable from smelters are assessed on the basis of the determined metal content of the input material and of the current metal prices. An adequate deduction is made from this assessment basis taking into account valuation fluctuations, e.g. on account of deviations in the analysis. The receivables from the smelters comprise this valuation base less smelting costs which are charged by the smelters in the settlement of accounts in accordance with the contractual arrangements.

Liquid funds are assessed at their nominal value on the balance sheet date.

Accruals comprise expenses before the balance sheet date in as far as such constitute expenses for a certain period thereafter.

The existing differences between commercial and tax legislation valuation bases of assets and liabilities which are likely to reduce in future financial years and which result in a reduction of the tax burden overall were not capitalised as **deferred tax assets** by waiving the right to exercise the option under section 274 sub-section 1 sentence 2 HGB.

2. Liabilities

The special item for the **investment grant received** formed applying section 265 sub-section 5 sentence 2 was written back until 2018 in accordance with the average period of use of the supported assets.

Provisions were made for discernible risks and uncertain liabilities on the basis of prudent commercial evaluation. The assessment is always made at the settlement value.

Liabilities are assessed at their settlement value.

3. Principles for the conversion into EUR

Business transactions in foreign currencies are recorded at the historical exchange rate at the time of initial recognition in principle.

Long-term foreign currency receivables are assessed at the foreign exchange sell rate at the time of the creation of the account receivable or at the lower fair value using the average spot exchange rate on the cut-off date (impairity principle). Short-term foreign currency accounts receivable (residual term of one year or less) as well as cash funds or other short-term assets are converted at the average spot exchange rate on the balance sheet date.

Long-term foreign currency liabilities are assessed at the foreign exchange buy rate at the time of the creation of liability or at the higher fair value using the average spot exchange rate on the balance sheet date (impairity principle). Short-term foreign currency liabilities (residual term of one year or less) are converted at the average spot exchange rate on the balance sheet date.

III. Notes and explanations on the balance sheet

1. Assets

We make reference to the annex to the notes with regard to the structure and development of **fixed assets** in accordance with section 284 sub-section 3 HGB.

The loans to shareholders shown under **financial assets** are shown at the k€ 409 above their fair value on the balance sheet date. An unscheduled depreciation according to section 253 sub-section 3 sentence 5 HGB was not made since, based on the situation on the balance sheet date, this was a short-term reduction in value caused by a change in the exchange rate.

Unfinished products comprise metalliferous materials which were stored at the company on 31st December 2017. The stock of these materials was included upon the stock-taking on 2nd January 2018 and continued until the balance sheet date.

As of the balance sheet date, **finished products** primarily comprise the metal concentrates in transit to the buyers, in addition to the stock at the company. According to the contractual arrangements, the transfer of ownership only takes place upon receipt by the buyer. The stock of finished goods was verified by the stock-taking on 2nd January 2018 and with delivery notes.

As in the previous year, **accounts receivable and other assets** fall due within one year.

Accounts receivable from shareholders were accountable in the previous year to World Resources Company, Jackson, Wyoming/USA and contained other assets.

Accruals comprise a discount of k€ 4 (31st December 2016: k€ 6).

2. Liabilities

Equity is unchanged at € 1,533,875.64, which corresponds to the amount of DM 3,000,000.00 recorded in the commercial register.

At the shareholder meeting on 29th May 2017, the annual financial statement of 31st December 2016 was determined. The annual net profit of k€ 23 and the profit brought forward from the previous year of k€ 13,081 was brought forward to new account.

At the shareholder meetings on 14th December 2017 and 9th April 2018, advance distributions of k€ 200 and k€ 610 were decided on with regard to the annual net profit for the 2017 financial year and, in as far as the distributions exceed the annual net profit, regarding the profit brought forward. The annual financial statement as of 31st December 2017 was prepared under consideration of this advance distribution (partial appropriation of profits).

The liabilities shown have the following residual terms:

Total of liabilities as of	Total	Up to 1 year	More than 1 year	Of which more than 5 years
31/12/2017	4,746	3,234	1,512	710
31/12/2016	3,230	1,473	1,757	902

Liabilities to banks comprise the loan from the KfW renewable energy programme taken out in 2010 and the loan refinancing the physicochemical treatment system which was concluded in 2015 and used in 2016. The photovoltaic system, including the assignment of the feed-in proceeds, land charges of k€ 1,750 and the physicochemical treatment system transferred as security were provided as security. In addition, a balance of k€ 125 at banks was blocked for a credit line.

The liabilities to shareholders are as follows:

Shareholder	31/12/2017 k€
World Resources Company	
Accounts payable trade	258
Advance distribution	176
	434
Peter T. Halpin	
Advance distribution	273
	707

IV. Notes and explanations regarding the profit and loss account

1. Gross profit

The gross profit comprises revenue from energy and electricity tax refunds for the year 2016 of k€ 89 (previous year: k€ 94), revenue from the reversal of the special item for an investment grant of k€ 16 (previous year: k€ 16) and revenue from currency conversion of k€ 10 (previous year: k€ 14).

In the previous year, extraordinary income of k€ 70 within the meaning of section 285 no. 31 HGB was generated as a result of the subsequent capitalisation of costs of acquisition for the physicochemical plant.

2. Other operating expenses

The other operating expenses include expenses of k€ 17 (previous year: k€ 27), which resulted from currency conversion.

Extraordinary expenses within the meaning of section 285 no. 31 HGB were not incurred.

3. Income from loans of financial assets

The income from loans of financial assets were from loans to shareholders.

V. Supplementary notes

1. Other financial liabilities

There are other financial liabilities under longer-term rental and leasing agreements until 2021 totalling k€ 475.

In addition to the other financial liabilities shown, there are no off-balance sheet transactions which might be important for the company's financial situation.

In all cases, there are contracts which do not lead to recording of the rental and leasing properties in the balance sheet of the company. These contracts entail the advantage that they tie up less capital compared to the acquisition and that they eliminate the utilisation risk. Risks might result from the contract term in case the items can no longer be used in full; however, at present, there is no indication of this.

2. Notes regarding the company's bodies

In the 2017 financial year, Dr Eberhard Lüderitz, a graduate engineer, Grimma, was appointed as the professional managing director holding sole power of representation.

With the exception of an advance on travelling expenses of k€ 1, the managing director was not granted any advances and loans. The specification of the managing director's income was dispensed with in accordance with section 286 sub-section 4 HGB.

3. Notes on employees

During the financial year, the company employed, on average, 78 employees (29 female and 49 male employees) (previous year: 78 employees of whom 30 were female and 48 were male).

4. Appropriation of profits

At the shareholder meetings on 14th December 2017 and 9th April 2018, advance distributions of k€ 200 and k€ 610 from the annual net profit for the 2017 financial year and, in the event that distributions exceed the annual net profit, from the profit brought forward were approved. The management board proposes that the balance sheet profit remaining after consideration of this advance distribution of k€ 12,753 be brought forward to new account.

5. Report on events after the balance sheet date

There were no events of special importance which occurred after the end of the financial year and have not been considered in the profit and loss account or in the balance sheet.

Wurzen, 23rd April 2018

Dr. Eberhard Lüderitz, Managing Director

Structure and Development of Capital Assets in 2017

		Costs of acquisition and production			
	01/01/2017 €	Additions €	Disposals €	Transfers €	31/12/2017 €
I. Intangible assets					
Purchased software	20,339.59	2,960.00	0.00	0.00	23,299.59
II. Property, plant and equipment					
1. Land and buildings	3,266,235.05	5,752.30	0.00	0.00	3,271,987.35
2. Technical plants and machinery	15,462,003.12	120,864.54	0.00	6,775.00	15,589,642.66
3. Other plants, operating and business equipment	1,959,286.35	43,456.57	75,380.20	0.00	1,927,362.72
4. Payments made on account and plants under construction	6,775.00	5,361.80	0.00	-6,775.00	5,361.80
	20,694,299.52	175,435.21	75,380.20	0.00	20,794,354.53
III. Financial investments					
Loans to shareholders	5,360,340.98	340,136.05	0.00	0.00	5,700,477.03
	26,074,980.09	518,531.26	75,380.20	0.00	26,518,131.15
		Depreciations			
		01/01/2017 €	Additions €	Disposals €	31/12/2017 €
I. Intangible assets					
Purchased software		20,339.59	82.00	0.00	20,421.59

II. Property, plant and equipment					
1. Land and buildings		1,482,324.84	115,183.30	0.00	1,597,508.14
2. Technical plants and machinery		11,449,284.12	731,421.54	0.00	12,180,705.66
3. Other plants, operating and business equipment		1,646,151.35	95,545.57	75,380.20	1,666,316.72
4. Payments made on account and plants under construction		0.00	0.00	0.00	0.00
		14,577,760.31	942,150.41	75,380.20	15,444,530.52
III. Financial investments					
Loans to shareholders		0.00	0.00	0.00	0.00
		14,598,099.90	942,232.41	75,380.20	15,464,952.11
				Book values	
				31/12/2017 €	31/12/2016 €
I. Intangible assets					
Purchased software				2,878.00	0.00
II. Property, plant and equipment					
1. Land and buildings				1,674,479.21	1,783,910.21
2. Technical plants and machinery				3,408,937.00	4,012,719.00
3. Other plants, operating and business equipment				261,046.00	313,135.00
4. Payments made on account and plants under construction				5,361.80	6,775.00
				5,349,824.01	6,116,539.21
III. Financial investments					
Loans to shareholders				5,700,477.03	5,360,340.98
				11,053,179.04	11,476,880.19

Confirmation

The above annual financial statement constitutes the version abridged for disclosure purposes according to section 327 HGB. The following audit certificate was issued for the full annual financial statement and management report:

INDEPENDENT AUDITOR'S REPORT

To WRC World Resources Company GmbH, Wurzen

Audit Opinions

We have audited the annual financial statements of WRC World Resources Company GmbH, Wurzen, which comprise the balance sheet as December 31, 2017, the statement of profit and loss for the financial year from January 1 to December 31, 2017 and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of WRC World Resources Company GmbH for the financial year from January 1 to December 31, 2017.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2017 and of its financial performance for the financial year from

January 1 to December 31, 2017 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional 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 audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Director for the Annual Financial Statements and the Management Report

The executive director is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive director is responsible for such internal control as he, in accordance with German Legally Required Accounting Principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive director is responsible for assessing the Company's ability to continue as a going concern. He also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, he is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive director is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive director is responsible for such arrangements and measures (systems) as he has considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue

an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

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 annual financial statements and this management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive director and the reasonableness of estimates made by the executive director and related disclosures.
- Conclude on the appropriateness of the executive director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive director in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive director as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Leipzig, April 23rd 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
Carl Erik Daum, Auditor
ppa. Werner Horn, Auditor

Resolution on the appropriation of the annual net profit

At the Meeting of the Shareholders on the 24th of April 2018 the following resolution regarding the appropriation of the annual net profit was resolved:

„According to the Resolutions of the Shareholders from December 14th 2017 and April 9th 2018 there were dividends distributed of Euro 810.000,00 out of the company's net profit of Euro 458.675,36 and out of the profit carry forward of Euro 13.103.836,51. The remaining balance sheet profit of Euro 12.752.511,87 will be carried forward to the next accounting period.“

The annual financial statements as of 31st of December 2017 were approved on the 24th of April 2018.

I confirm that the English version is a correct translation of the German disclosed financial report.


Dr. Eberhard Lüderitz
Managing Director

WRC WORLD RESOURCES COMPANY GMBH
(04)
Industriestraße 7
D - 04808 WURZEN
Telefon 0 34 25 / 90 46-0 • Fax 0 34 25 / 90 46 90