

CAST METALS FEDERATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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CAST METALS FEDERATION
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

Mr P J Harpin
Mr H O Pickard
Dr P A Withey
Ms W E Bennett (appointed 9 May 2016)
Mr M J Shenton (appointed 9 May 2016)

Company secretary

Dr P Murrell

Registered number

SC217836

Registered office

1 Atholl Place
Edinburgh
Midlothian
EH3 8HP

Independent auditors

Moore Stephens LLP
Chartered Accountant and Statutory Auditor
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

CAST METALS FEDERATION
(A Company Limited by Guarantee)

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CAST METALS FEDERATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Federation is that of a trade association for the provision of commercial services to members and technical related matters.

Results and dividends

The profit for the year, after taxation, amounted to £30,211 (2015 - loss of £324).

Going concern

The directors have considered the financial position of the company which shows healthy reserves and cash balances. They have not identified any material uncertainties that may cast significant doubt over the ability of the company to continue as a going concern for the foreseeable future, which is deemed to be at least 12 months from the date of signing of these accounts. In forming their opinion, they have considered current and anticipated turnover, profit and cashflows. Going concern is presumed in preparing these financial statements.

Directors

The directors who served during the year were:

Mr P J Harpin
Mr H O Pickard
Dr P A Withey
Ms W E Bennett (appointed 9 May 2016)
Mr M J Shenton (appointed 9 May 2016)

CAST METALS FEDERATION
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2016

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13th Sept 2016 and signed on its behalf.



Dr P Murrell
Company secretary

CAST METALS FEDERATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAST METALS FEDERATION

We have audited the financial statements of Cast Metals Federation for the year ended 30 June 2016, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; 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 those accounts and this report has been prepared with applicable legal requirements. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAST METALS FEDERATION (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.
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Moore Stephens LLP

Paul Fenner (Senior Statutory Auditor)

for and on behalf of
Moore Stephens LLP

Chartered Accountant and Statutory Auditor

35 Calthorpe Road
Edgbaston
Birmingham

B15 1TS

Date: 15 September 2016

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £	2015 £
Turnover	4	305,999	302,336
Gross profit		305,999	302,336
Administrative expenses		(269,847)	(304,557)
Operating profit/(loss)	5	36,152	(2,221)
Interest receivable and similar income	7	1,543	1,697
Profit/(loss) before tax		37,695	(524)
Tax on profit/(loss)	8	(7,484)	200
Profit/(loss) for the year		30,211	(324)

There were no other comprehensive income for 2016 (2015: £NIL).

CAST METALS FEDERATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC217836

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	9		1,508		2,107
			<u>1,508</u>		<u>2,107</u>
Current assets					
Debtors: amounts falling due within one year	10	269,861		30,048	
Cash at bank and in hand	11	304,885		281,399	
		<u>574,746</u>		<u>311,447</u>	
Creditors: amounts falling due within one year	12	(315,427)		(82,938)	
Net current assets			<u>259,319</u>		<u>228,509</u>
Total assets less current liabilities			<u>260,827</u>		<u>230,616</u>
Net assets			<u><u>260,827</u></u>		<u><u>230,616</u></u>
Capital and reserves					
Profit and loss account	14		<u>260,827</u>		<u>230,616</u>
			<u><u>260,827</u></u>		<u><u>230,616</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
13 September 2016

P J Harpin

Mr P J Harpin
Director

The notes on pages 8 to 16 form part of these financial statements.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Profit and loss account £	Total equity £
At 1 July 2015	230,616	230,616
Comprehensive income for the year		
Profit for the year	30,211	30,211
Total comprehensive income for the year	30,211	30,211
At 30 June 2016	260,827	260,827

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Profit and loss account £	Total equity £
At 1 July 2014	230,940	230,940
Comprehensive income for the year		
Loss for the year	(324)	(324)
Total comprehensive income for the year	(324)	(324)
At 30 June 2015	230,616	230,616

The notes on pages 8 to 16 form part of these financial statements.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. General information

Cast Metals Federation is a company limited by guarantee, incorporated in Scotland and domiciled in England & Wales.

The Registered Office is 1 Atholl Place, Edinburgh, Midlothian, EH3 8HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has chosen to early adopt the amended Financial Reporting Standard 102 (September 2015).

Certain comparative amounts have been re-stated or re-classified to conform with the current year presentation.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents members' subscriptions and services in relation to the year under review net of Value Added Tax. Subscription income is credited to the profit and loss account over the period to which the subscription relates.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% Straight line
Computer equipment	-	25% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.9 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

CAST METALS FEDERATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not believe there are any assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4. Turnover

2.1% of the Company's turnover (2015 - 3.8%) is attributable to geographical markets outside the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	782	1,080
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2,800	2,800
- Taxation compliance services	700	700
Operating lease rentals:		
- land and buildings	17,781	17,648
- other	6,161	8,891
Defined contribution pension cost	14,936	9,011

During the year, no director received any emoluments (2015 - £NIL).

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	127,115	153,420
Social security costs	9,043	15,575
Cost of defined contribution scheme	14,936	9,011
	<u>151,094</u>	<u>178,006</u>

The average monthly number of employees, including directors, during the year was 4 (2015 - 5).

7. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>1,543</u>	<u>1,697</u>

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	7,300	(184)
Adjustments in respect of previous periods	184	(16)
Total current tax	<u>7,484</u>	<u>(200)</u>

Factors that may affect future tax charges

The company has trading losses of £Nil (2015 - £1,819) to utilise in future periods.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 July 2015	17,145	18,320	35,465
Additions	75	108	183
At 30 June 2016	17,220	18,428	35,648
Depreciation			
At 1 July 2015	16,880	16,478	33,358
Charge owned for the period	85	697	782
At 30 June 2016	16,965	17,175	34,140
Net book value			
At 30 June 2016	255	1,253	1,508
At 30 June 2015	265	1,842	2,107

10. Debtors

	2016 £	2015 £
Trade debtors	262,725	20,112
Other debtors	-	2,693
Prepayments and accrued income	7,136	7,059
Corporation tax recoverable	-	184
	269,861	30,048

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>304,885</u>	<u>281,399</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	20,889	33,214
Restricted funds BICTA	7,127	7,520
Restricted funds LMFA	8,831	9,524
Corporation tax	7,300	-
Taxation and social security	40,683	4,312
Other creditors	-	3,860
Accruals and deferred income	230,597	24,508
	<u>315,427</u>	<u>82,938</u>

In the year ended 30 June 2003 £9,524 was transferred to Cast Metals Federation (CMF) from the Light Metals Founders Association (LMFA) on it being wound up. These funds may only be used for the benefit of the light metals alloys sector on authorisation from the light metal sector committee of CMF and its membership. £693 of these funds have been utilised during the current year (2015 - £Nil).

On 4 December 2002 British Investment Casting Trade Association (BICTA) ceased trading and agreed to transfer its remaining funds to CMF on the proviso that the money be ring-fenced for investment in casting research. The transfer of £12,167 took place in the year ended 30 June 2004 and £4,647 of the funds have been utilised by 30 June 2012. £393 of these funds were utilised during the current year (2015 - £Nil).

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	304,885	281,399
Financial assets that are debt instruments measured at amortised cost	262,725	22,805
	<u>567,610</u>	<u>304,204</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(75,823)	(58,430)
	<u>(75,823)</u>	<u>(58,430)</u>

Financial assets measured at fair value through profit or loss comprises cash at bank and in hand.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial Liabilities measured at amortised cost comprise trade and other creditors, restricted funds and tax and social security.

14. Reserves

Profit and loss account

Profit and loss account reserve relates to accumulated profits.

15. Pension commitments

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company, in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £14,936 (2015 - £9,011).

Contributions totalling £Nil (2015 - £Nil) were payable to the funds at the balance sheet date.

CAST METALS FEDERATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. Commitments under operating leases

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	17,913	17,648
Later than 1 year and not later than 5 years	4,478	22,060
	<u>22,391</u>	<u>39,708</u>
	2016 £	2015 £
Other		
Not later than 1 year	5,943	5,943
Later than 1 year and not later than 5 years	2,476	8,419
	<u>8,419</u>	<u>14,362</u>

17. Related party transactions

The directors represent member organisations. All transactions between the company and member organisations are on a normal commercial basis. Transactions with any individual member organisations are not considered to be material.

18. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

19. First time adoption of FRS 102

These financial statements for the year ended 30 June 2016 are the company's first financial statements that comply with the FRS 102. The company's date of transition to FRS 102 is 1 July 2014. The company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 30 June 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.