

Coleshill Aluminium Limited

Directors' Report and Financial Statements

For the Year Ended 31 August 2019



Coleshill Aluminium Limited

Company Information

Directors	Mrs S D Evans P H Evans R B Evans A C Evans Mrs A E Miller
Registered number	00585158
Registered office	Gorse Lane Coleshill Warwickshire B46 1JU
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Coleshill Aluminium Limited

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Coleshill Aluminium Limited

Strategic Report For the Year Ended 31 August 2019

Introduction

The principal activity of the Company during the year was that of smelting and refining aluminium.

Business review

The general economic outlook has been one of static performance or slow growth for the UK following the decisions surrounding Brexit and the ongoing impact to many businesses after this decision. As a result many are finding the current climate challenging. Turnover has decreased to £11m from £12m reported in 2018.

Gross margin is a key performance indicator for us and with competition strong in the market place, the directors have been able to manage this position despite its reduction from that reported in 2018.

During the year, the trading premises was subject to fire damage and the company ceased production for two months, whilst repair work was undertaken. The repairs have been substantially covered by an insurance claim. Furthermore, the company is currently in negotiation with the loss assessor for insurance cover over the lost revenue for the period the company remained closed. There has been no reflection of this amount provided for in these financial statements. In addition, the business suffered a bad debt in the year, but testament to the strong running of the business by the directors, the balance sheet remains healthy at the balance sheet date.

The principal financial instruments of the company comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations and the directors regularly monitor the working capital of the business to ensure it has sufficient cover against its liabilities.

Principal risks and uncertainties

The management of the business is subject to a number of risks. The directors believe that principally these risks are financial and credit risks. Recent events, such as COVID-19 and the planned departure of the European Union have and continue to be assessed in terms of the impact this may have on the business and sector in which we operate. The company will continue to trade as a going concern. We continue to work hard to spread our risk with customers and will continue to take steps to minimise risk wherever possible.

Financial risks:

The company is exposed to changes in prices of Aluminium. The company regularly monitor this and with strong cash reserves can take the decision to buy excess aluminium at the right price. This can give an added advantage over competition. All of the cash balances are held in such a way that achieves a competitive rate of interest.

Credit and Liquidity risk:

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding in respect of time and credit limits taken. The amounts presented in the balance sheet are net of allowances for any doubtful debts. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the board on 25 August 2020 and signed on its behalf.

A C Evans
Director

Coleshill Aluminium Limited

Directors' Report For the Year Ended 31 August 2019

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

Directors

The directors who served during the year were:

Mrs S D Evans
P H Evans
R B Evans
A C Evans
Mrs A E Miller

Results and dividends

The loss for the year, after taxation, amounted to £198,975 (2018 - profit £208,546).

No dividends were paid or proposed during the year (2018 - £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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's financial statements 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

The outlook remains challenging for the UK, the sector and the business, but the board continue to review opportunities as they arise to keep ahead of competition.

Coleshill Aluminium Limited

**Directors' Report (continued)
For the Year Ended 31 August 2019**

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

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

This report was approved by the board on 25 August 2020 and signed on its behalf.

A C Evans
Director

Coleshill Aluminium Limited

Independent Auditors' Report to the Members of Coleshill Aluminium Limited

Opinion

We have audited the financial statements of Coleshill Aluminium Limited (the 'Company') for the year ended 31 August 2019, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the

Coleshill Aluminium Limited

Independent Auditors' Report to the Members of Coleshill Aluminium Limited (continued)

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Coleshill Aluminium Limited

Independent Auditors' Report to the Members of Coleshill Aluminium Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.

Julian Townsend ACA FCCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

25 August 2020

Coleshill Aluminium Limited

Profit and Loss Account
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Turnover	4	10,880,586	12,365,505
Cost of sales		(10,354,481)	(11,543,815)
Gross profit		526,105	821,690
Distribution costs		(107,399)	(122,710)
Administrative expenses		(691,382)	(492,469)
Other operating income		70,000	-
Operating (loss)/profit	6	(202,676)	206,511
Interest receivable and similar income	9	3,701	2,035
(Loss)/profit before tax		(198,975)	208,546
Tax on (loss)/profit	10	-	-
(Loss)/profit for the financial year		(198,975)	208,546

The notes on pages 12 to 23 form part of these financial statements.

Coleshill Aluminium Limited

**Statement of Comprehensive Income
For the Year Ended 31 August 2019**

	Note	2019 £	2018 £
(Loss)/profit for the financial year		(198,975)	208,546
Total comprehensive income for the year		<u>(198,975)</u>	<u>208,546</u>

The notes on pages 12 to 23 form part of these financial statements.

Coleshill Aluminium Limited
Registered number:00585158

Balance Sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	246,674	287,543
		<u>246,674</u>	<u>287,543</u>
Current assets			
Stocks	12	1,445,255	1,134,673
Debtors: amounts falling due within one year	13	2,417,732	3,535,571
Cash at bank and in hand	14	1,244,081	651,073
		<u>5,107,068</u>	<u>5,321,317</u>
Creditors: amounts falling due within one year	15	(2,718,409)	(2,774,552)
Net current assets		<u>2,388,659</u>	<u>2,546,765</u>
Total assets less current liabilities		<u>2,635,333</u>	<u>2,834,308</u>

Net assets		<u><u>2,635,333</u></u>	<u><u>2,834,308</u></u>
Capital and reserves			
Called up share capital	17	1,250	1,250
Share premium account	18	436,250	436,250
Profit and loss account	18	2,197,833	2,396,808
		<u><u>2,635,333</u></u>	<u><u>2,834,308</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 August 2020.

A C Evans

Director

The notes on pages 12 to 23 form part of these financial statements.

Coleshill Aluminium Limited

Statement of Changes in Equity
For the Year Ended 31 August 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2017	1,250	436,250	2,188,262	2,625,762
Comprehensive income for the year				
Profit for the year	-	-	208,546	208,546
At 1 September 2018	1,250	436,250	2,396,808	2,834,308
Comprehensive income for the year				
Loss for the year	-	-	(198,975)	(198,975)
At 31 August 2019	<u>1,250</u>	<u>436,250</u>	<u>2,197,833</u>	<u>2,635,333</u>

The notes on pages 12 to 23 form part of these financial statements.

Coleshill Aluminium Limited

Statement of Cash Flows
For the Year Ended 31 August 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(198,975)	208,546
Adjustments for:		
Depreciation of tangible assets	40,869	52,382
Interest received	(3,701)	(2,035)
(Increase)/decrease in stocks	(310,582)	58,593
Decrease/(increase) in debtors	1,120,221	(368,585)
(Increase)/decrease in amounts owed by groups	(2,382)	-
Increase/(decrease) in creditors	49,252	(235,685)
(Decrease) in amounts owed to groups	(105,395)	(35,334)
Net cash generated from operating activities	589,307	(322,118)
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(6,352)
Sale of tangible fixed assets	-	600
Interest received	3,701	2,035
Net cash from investing activities	3,701	(3,717)
Net increase/(decrease) in cash and cash equivalents	593,008	(325,835)
Cash and cash equivalents at beginning of year	651,073	976,908
Cash and cash equivalents at the end of year	1,244,081	651,073
Cash and cash equivalents at the end of year comprise:		

Cash at bank and in hand

1,244,081

651,073

The notes on pages 12 to 23 form part of these financial statements.

Coleshill Aluminium Limited

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

1. General information

Coleshill Aluminium Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review and directors report. The financial position of the company, its cash flows and liquidity position are described in the strategic report, directors report and throughout the notes to the financial statements. As highlighted in these sections, the company meets its day-to-day working capital requirements through the mixture of short and long term debt, such as bank balances and connected company loans along with trade and other receivables. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities and as a consequence the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis for preparation of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Coleshill Aluminium Limited**Notes to the Financial Statements
For the Year Ended 31 August 2019**

2. Accounting policies (continued)**2.4 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Freehold land	- No depreciation
Freehold buildings	- 2% straight line
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15-40% reducing balance and 20% 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.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 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.

2.7 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Coleshill Aluminium Limited

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 debtors and creditors, 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 the 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.

2.9 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.

2.10 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'.

Coleshill Aluminium Limited

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Interest income

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

2.13 Taxation

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

The current 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies which are described in note 2, the directors are required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular plant and machinery, and have concluded that asset lives and residual values are appropriate.

Stock valuation

The directors monitor and review average prices of aluminium and other metals and in particular fluctuations over the year end date and have concluded that the stock values are appropriate and reasonable.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	10,826,670	12,156,787
Rest of Europe	53,916	208,718
	<u>10,880,586</u>	<u>12,365,505</u>

5. Other operating income

	2019 £	2018 £
Insurance claims receivable	70,000	-
	<u>70,000</u>	<u>-</u>

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019**6. Operating (loss)/profit**

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

	2019	2018
	£	£
Depreciation of tangible fixed assets	40,869	52,382
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	7,600	7,375
Exchange differences	1,162	-
Defined contribution pension cost	<u>13,530</u>	<u>11,900</u>

7. Employees

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

	2019	2018
	£	£
Wages and salaries	843,471	862,669
Social security costs	81,159	90,015
Cost of defined contribution scheme	13,530	11,900
	<u>938,160</u>	<u>964,584</u>

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

	2019	2018
	No.	No.
Production staff	18	18
Administrative staff	10	11
	<u>28</u>	<u>29</u>

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	244,219	235,437
Company contributions to defined contribution pension schemes	3,078	4,338
	<u>247,297</u>	<u>239,775</u>

During the year retirement benefits were accruing to 4 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £75,111 (2018 - £71,292).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,019 (2018 - £732).

9. Interest receivable

	2019 £	2018 £
Bank interest receivable	<u>3,701</u>	<u>2,035</u>

10. Taxation

	2019 £	2018 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Taxation (continued)

Factors affecting tax charge for the year

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

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>(198,975)</u>	<u>208,546</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(37,805)	39,624
Effects of:		
Expenses not deductible for tax purposes	937	801
Capital allowances for year in excess of depreciation	8,667	6,740
Utilisation of tax losses	-	(41,465)
Short term timing difference leading to an increase (decrease) in taxation	-	(5,700)
Deferred tax not recognised	28,201	-
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has tax losses of approximately £379,000 (2018 - £217,000) available to carry forward and offset against future taxable trading profits.

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019

11. Tangible fixed assets

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 September 2018	159,550	885,465	196,335	53,620	1,294,970
At 31 August 2019	<u>159,550</u>	<u>885,465</u>	<u>196,335</u>	<u>53,620</u>	<u>1,294,970</u>
Depreciation					
At 1 September 2018	98,532	703,268	154,203	51,424	1,007,427
Charge for the year on owned assets	2,500	27,352	10,533	484	40,869
At 31 August 2019	<u>101,032</u>	<u>730,620</u>	<u>164,736</u>	<u>51,908</u>	<u>1,048,296</u>
Net book value					
At 31 August 2019	<u>58,518</u>	<u>154,845</u>	<u>31,599</u>	<u>1,712</u>	<u>246,674</u>
At 31 August 2018	<u>61,018</u>	<u>182,197</u>	<u>42,132</u>	<u>2,196</u>	<u>287,543</u>

Included in land and buildings is freehold land at cost of £465 (2018 - £465) which is not depreciated.

12. Stocks

	2019 £	2018 £
Raw materials and consumables	1,074,648	856,302
Finished goods and goods for resale	370,607	278,371
	<u>1,445,255</u>	<u>1,134,673</u>

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019

13. Debtors

	2019	2018
	£	£
Trade debtors	2,336,110	3,465,230
Amounts owed by related businesses	2,382	-
Other debtors	809	-
Prepayments and accrued income	78,431	70,341
	<u>2,417,732</u>	<u>3,535,571</u>

14. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>1,244,081</u>	<u>651,073</u>

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,436,870	1,284,921
Amounts owed to related businesses	1,142,795	1,248,190
Other taxation and social security	23,018	93,146
Other creditors	74,922	78,056
Accruals and deferred income	40,804	70,239
	<u>2,718,409</u>	<u>2,774,552</u>

Coleshill Aluminium Limited

Notes to the Financial Statements
For the Year Ended 31 August 2019**16. Financial instruments**

	2019 £	2018 £
Financial assets		
Financial assets measured at undiscounted amounts receivable	<u>3,582,573</u>	<u>4,116,303</u>
Financial liabilities		
Financial liabilities measured at undiscounted amounts payable	<u>(2,695,391)</u>	<u>(2,681,406)</u>

Financial assets measured at undiscounted amounts receivable comprise trade debtors, amounts owed from related businesses and cash at bank.

Financial liabilities measured at undiscounted amounts payable comprise trade creditors, amounts owed to related businesses, other creditors and accruals.

17. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,250 (2018 - 1,250) Ordinary shares of £1.00 each	<u>1,250</u>	<u>1,250</u>

18. Reserves**Share premium account**

The share premium account represents the difference between the par value of the shares issued and the subscription or issue price.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £13,530 (2018 - £11,900).

There were outstanding contributions of £Nil at the end of the financial year, included within other creditors (2018 - £30,000).

Coleshill Aluminium Limited

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

20. Related party transactions

Coleshill Aluminium (Swarf) Limited and Coleshill Laboratories Limited are controlled by certain directors and their close family members which is common ownership and control to Coleshill Aluminium Limited and as such considered to be related companies. During the year, the net of purchases from, recharged costs to, management charges to and payments to/ from Coleshill Aluminium (Swarf) Limited was £64,730 in the favour of Coleshill Aluminium Limited (2018: 32,065 in favour). The year end creditor payable to Coleshill Aluminium (Swarf) was £1,135,483 (2018: £1,200,213).

During the year the net of recharged costs to, management charges to and payments to/ from Coleshill Laboratories Limited was £43,047 (2018:£3,269 in favour) in the favour of Coleshill Aluminium Limited. The year end creditor payable was £4,930 (2018: 47,977).

21. Controlling party

There is no one ultimate controlling party.

