

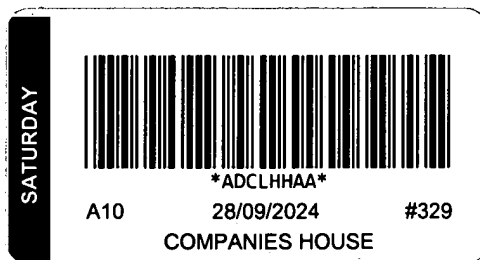
Cookson Precious Metals Limited

Annual Report and Financial Statements

Year Ended

31 December 2023

Company Number 02775187



Cookson Precious Metals Limited

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Company Information

Directors	P A T Chapman P A Cooper S K Dorvlo P W Evans A J Hunter S B Wibberley
Company secretary	P W Evans
Registered number	02775187
Registered office	59-83 Vittoria Street Birmingham B1 3NZ
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA

Cookson Precious Metals Limited

Strategic Report For the Year Ended 31 December 2023

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2023.

Business review

As shown in the company's Statement of Comprehensive Income on page 14, the Company's turnover increased from £367.6m to £488.5m largely due to increases in precious metal recycling volumes, where increases in this sector have a disproportionate impact on turnover.

2023 delivered mixed results for the respective sales channels. E-Commerce activity softened, as combination of post-pandemic freedoms redirected spending decisions away from home-based activities, coupled with the cost of living crisis taking hold. Additional to this was the transfer of the European E-Commerce activity to an EU based group company as a result of the ongoing difficulties of shipping into the EU post-Brexit. All of these factors resulted in a reduction of 7% compared to 2022.

Precious Metal Products activity softened in the UK as a result of the market normalizing after the pent up pandemic demand traded through, however sales to Ireland were very strong more than offsetting the lost UK sales.

Recycling activity performed strongly as a result of an on average increase in the gold price of 7% on top of the economic uncertainty. Peaks in recycling volumes can be matched to periods of economic uncertainty and it often operates as an anti-cyclical sector to the rest of the business.

Gross Margin decreased slightly from £19.0m to £18.0m as a result of the sales impacts outlined above, plus the loss on disposal of an amount of owned Rhodium as a result of the dramatic and rapid fall in the market price. Management actions to offset the impact included liquidation of other precious metal stock holdings at a profit, which crystallised a net cost of £900,000. This metal was held for the purposes of our ongoing Additive Manufacturing research and development activities and does not form part of our normal day-to-day activities. All risks relating to metal price fluctuations have now been removed with respect to our Rhodium stock holding.

As a measure against turnover, the overall gross profit margin decreased from 5.2% to 3.7%. The Company invested a further £700,000 in respect of investigating new production opportunities utilising Additive Manufacturing techniques, however the results are impacted by the disproportionate effect recycling activities and the Rhodium valuation loss as noted above.

The reduction in distribution costs is directly related to E-Commerce operations and is variable to activity levels. Administration costs also increased due to a combination of increased headcount and spend on specific information technology related projects.

The overall net profit margin has remained consistent year on year, when excluding one off costs for the investment in and one-off metal valuation loss related to Additive Manufacturing. This is in line with managements expectation.

The net assets of the Company at 31 December 2023 were £14,531k (2022 - £14,905k). The reduction in net asset is a result of dividends paid exceeding the net profit for the year.

Principal risks and uncertainties

Competitive pressure in Europe, India and the Far East, by way of imports into the UK market and globalisation through E Commerce, is a continuing risk for the Company, which could result in losing key sales to competitors. To manage this risk, the Company strives to provide added value products and services to its customers; prompt response times in the supply of products and services and the handling of customer queries; and through the maintenance of strong relationships with customers.

Cookson Precious Metals Limited

Strategic Report (continued) For the Year Ended 31 December 2023

Principal risks and uncertainties (continued)

The Company purchases from and sells into international markets and it is therefore exposed to currency movements on such transactions. Where appropriate, the Company manages this risk by applying practices which seek to mitigate currency fluctuations.

The Company may be affected by fluctuations in the price and supply of key raw materials, particularly precious metals which are subject to fluctuating prices as market commodities. The Company employs financing and purchasing policies and practices to mitigate these risks where practicable.

The Company offers credit terms to some customers. Where sufficient risk is identified, that risk is mitigated by the placement of credit insurance to significantly limit the Company's exposure to default which would ordinarily result in a loss.

The Company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due. This risk is managed through budgeting and forecasting and a regular review of cash requirements.

The group risks to which L. Possehl & Co mbH is exposed to are discussed in L. Possehl's Annual Report which does not form part of this report.

Financial Instruments

The Company is financed by share capital and group guaranteed precious metal consignment and monetary bank facilities. The Company has no long term third party debts. Liquidity and cash flow risks are mitigated by operating strong cash flow controls to ensure normal working capital requirements can be serviced by free cash flow. Details of the use of metal consignment stocks are contained in note 13 of the financial statements.

Financial key performance indicators

The key performance indicators used by the business to measure operating performance are as follows:

	2023	2022
	£000	£000
Turnover (£'000)	488,491	367,555
Gross profit (£'000)	18,013	18,997
Gross profit margin	3.7%	5.2%
Net profit margin	0.2%	0.5%

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities.

Going concern

The Company's business activities and funding arrangements, together with the factors likely to affect its future development and position are set out within this Strategic Report or in the notes contained in the financial statements attached to this report.

The differing fortunes of our sales activities and the decision to invest in researching a new technology resulted in the Company reporting a reduced operating profit, albeit close to budget expectations, and remained cash generative.

Cookson Precious Metals Limited

Strategic Report (continued) For the Year Ended 31 December 2023

Going concern (continued)

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements. Detailed income statements and cash flow forecasts have been prepared and reviewed by the Company through to the period ending 30 September 2025 ("the period") to assist with this assessment that demonstrate that the Company will be able to operate and meet its external liabilities as they fall due for payment during this period.

This assessment was undertaken against both current and future trading conditions. The Directors do not consider that the impact of the ongoing conflict in Ukraine to have direct impact on the Company. However, the indirect impact of increasing cost of living and impact this could have on consumer confidence has been considered. The Directors consider as the Company obtains revenues from diverse sources, the overall business model remains resilient if one of those sources is materially impacted.

The most plausible adverse scenario the Directors have considered in assessing going concern involves the stress testing of a significant reduction in revenues. The reduction in revenues was applied for the whole of the going concern forecast model, through to September 2025. Whilst this demonstrated a reduction in profitability, this had only a minor impact to cash flows. There are other elements of operating cost savings which could also be applied to further mitigate the profit impacts not contained within the original modelling to further improve any potential adverse impact to the scenario considered.

After careful consideration of the above aspects, the Directors remain of the view that the cash forecast is achievable. As such the Directors consider that whilst uncertainty will always exist to more or lesser degrees, there is sufficient headroom within the forecasts that this does not pose a material uncertainty that would cast doubt on the Company's ability to continue to operate and meet its liabilities as they fall due for payment throughout the period, which is a period of at least 12 months from signing of the accounts. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

The Board of Directors consider that the decisions they have made during the financial year and the way they have acted have promoted the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act). The Board considers the Company's key stakeholders to include employees, shareholders, customers, suppliers and the local community.

The Board has delegated day-to-day management of the Company's activities to the management team who are responsible for the execution of the Company's strategy, of which the Board members also form a part. All members of the Executive management team have confirmed that they have complied in full with supporting the Board of Directors perform their statutory duties required under s172(1).

Long-term decisions

The Board discussed the long-term strategy of the business, in line with the strategic pillars and key themes. The Board recognises its responsibility to act fairly between all its stakeholders.

Customers

Cookson Precious Metals' ultimate ambition is to be the preferred supplier of choice whatever market or sector the Company operates in. We are continually looking to review and improve our product and service offering to ensure we meet the demands of our customers.

Cookson Precious Metals Limited

Strategic Report (continued)
For the Year Ended 31 December 2023

Customers (continued)

Customers have a number of ways to communicate with the Company and share their views, and the Company has processes in place to collate and act upon any issues as they occur, with internal performance indicators maintained to identify those issues and how they will be rectified.

The Company will continue to undertake reviews of elements of the customer base as and when management deem is necessary.

Suppliers

Cookson Precious Metals draws on resources and support from a wide range of product and service suppliers, based both in the UK and overseas.

The Company has always sought to treat its suppliers fairly, not to request onerous payment terms, and act to minimise administrative disruption that can place cash flow pressures on the smaller businesses. We are pleased to report that we have not suffered any supply chain issues in respect of supplier failure during the reporting period.

The Company aligns itself to ethical standards within the sector in which we operate, and these standards are expected to be applied throughout the supply chain. We seek to review and update our supplier on-boarding and ongoing performance criteria to ensure suppliers continue to meet the ever changing needs and expectations of these standards.

People

Cookson Precious Metals benefits from a combination of long serving experienced staff, and newer staff who bring different perspectives and ideas. We believe the blend of these skills, attributes and experiences lend itself well to drive the success of the Company.

We have an established programme of apprenticeship, and we are continually reviewing where apprenticeship can be utilised within the organisation. Further, we seek to provide internal development opportunities where possible to help our employees grow and gain additional skills or experience.

We communicate extensively with our employees. It is usual for the senior management team to hold at least two face to face briefings during the year for all employees. Feedback is actively encouraged in all briefing sessions.

The Company operates performance management schemes as a basis for setting individual objectives and monitoring performance of the employees. Objectives are linked to a mix of key strategic and operational goals, and we adopt a roll down approach throughout the Company to ensure those goals are replicated for the respective teams.

Cookson Precious Metals Limited

Strategic Report (continued)
For the Year Ended 31 December 2023

Inclusion and Diversity

Employee well-being is an important focus. Aside from ensuring that the safety and security of employees was maintained, we provide our employees with free access to an Employee Assistance Program, and we have identified and trained specific employees as Mental Health First Aiders after an extensive consultation with employees. Staff training is kept under constant review and is adjusted to suit the economic and market conditions as appropriate.

Applications for employment by disabled persons are always fully considered, taking account of the qualifications, experience and capabilities of all applicants in respect of the vacancy being advertised. Should an event occur where an existing employee becomes disabled, every effort is made to ensure that the employment with the Company can be maintained, with appropriate adjustments and training being arranged. It is the policy of the Company that training and career development of a disabled person should, as far as possible, remain identical to that for a person who does not suffer from a disability.

Sustainability

The Board is acutely aware of its responsibility to safeguard the environment. We believe as a Responsible Business, it is ethically the right thing to do to help address the challenge of Climate Change by reducing our carbon footprint to net zero.

During the year, the Company completed the measurement of aspects of our carbon footprint for 2022. We continue to engage with a leading academic institution to help guide us in best practice in how to address this key issue. We have continued to work towards our goal of supplying recycled materials, reduce waste and employing a climate positive workforce.

Going forward, we will update our current carbon footprint on an annual basis and further develop actions to reduce through a collaboration with Coventry University. We will be expanding our approach of limiting utilities consumption in our key process through improved management over shutdown periods. A series of equipment upgrades have also improved energy efficiencies in key areas. Alongside this we have been continuing to develop our options for limiting the impact of our carbon emissions through a collaboration with Ecologi. After introducing this initiative in 2022, we continued to develop the offer during 2023 to off-set the carbon footprint of our operational workforce. As we progress further, we will be looking to enhance this collaboration by offering the possibility for our customers to off-set their purchases.

We also recognise that, as a Company dealing in precious metals, these natural resources are extracted from the earth with a major environmental impact. There have been statistics recently published that measured the carbon impact of jewellery manufacture from precious metals. For gold items, over 99% of the total CO2 impact derives from the gold mining extraction. Whilst slightly less, for silver products, the CO2 impact of the metal extraction still represents over 90% of the total CO2 impact. We are pleased to have continued to move forward with our plan to use 100% recycled materials in our internal production of bullion products, this year adding silver to the achievement of gold announced last year. We are continuing to work towards expanding this process through engagement with our supply chain for precious metal products produced by third parties. This is with a view to push towards 100% of our product offering being sourced from recycled materials, in order to minimise as much as practically possible our impact on the planet.

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



P W Evans
Director

Date: 25 September 2024

Cookson Precious Metals Limited

Directors' Report For the Year Ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Results and dividends

The profit for the year, after taxation, amounted to £1,126,000 (2022 - £1,947,000).

A £1,500,000 dividend has been paid during the year (2022 - £1,250,000). The directors have not proposed the payment of a final dividend (2022 - £Nil).

Directors

The directors who served during the year were:

P A T Chapman (appointed 28 September 2023)

P A Cooper (appointed 28 September 2023)

S K Dorvlo (appointed 21 July 2023)

P W Evans

A J Hunter (appointed 21 July 2023)

S B Wibberley (appointed 28 September 2023)

M Bach (resigned 31 July 2023)

Matters covered in the Strategic Report

The review of the business, key performance indicators and the principle risks and uncertainties are not shown in the directors report as they are shown in the strategic report in accordance with S414C (11) of the Companies Act 2006.

Employment of disabled persons

It has been the policy of the Company throughout the year to encourage the employment and development of suitable disabled persons.

No unnecessary limitations are placed on the type of work which disabled persons can perform and the policy ensures that in appropriate cases, consideration is given to modifications to equipment or premises and to adjustments in working practices.

The policies provides that full and fair consideration will be given to disabled applicants for employment and that existing employees who become disabled will have the opportunity to retrain and continue in employment.

Employee involvement

During the year the policy of providing employees with information about the Company has continued through the use of internal memos and bulletins. Regular communication occurs between management and employees to allow the free flow of information and ideas.

Financial risk management objectives and policies

Financial risk management objectives and policies have been formulated by the Company to control the Company's exposure to credit and price risk.

Cookson Precious Metals Limited

Directors' Report (continued) For the Year Ended 31 December 2023

Future developments

Commercial efforts will continue to focus on leveraging the Company's strong balance sheet and financing position to support any sector utilising precious metals to target sales growth, whether located in the UK, Europe, or the rest of the world. Resources will continue to focus on striving to improve internal operations and our people in order to deliver the best combination of products and services our current, and any future customers would demand.

The Company has considered the impact of the UK exiting the European Union on its operations. The main concern impacts outbound logistics for recycling and E-Commerce distance selling of products. Whilst there has been a level of disruption during the year, the Company continues to seek logistics solutions that mitigate inconvenience to the end recipient. The Company does not believe there is a material impact to overall business performance despite the ongoing disruption.

Research and Development

L. Possehl & Co mbH invests in research and development activities appropriate to the size and nature of its operations with the aim of supporting the future development of the Company. This research and development activity may result from time to time in updates to existing products or services as appropriate.

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

Further information about how the directors have engaged with employees, how they have had regard to employee interest, and the effect of that regard can be found in the strategic report. A summary of how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard can also be found in the strategic report.

Streamlined Energy and Carbon Report ("SECR")

We have conducted a review of our Scope 1, 2 and 3 carbon footprint against these carbon reduction commitments. The carbon footprint reporting which has been developed in partnership with Coventry University goes beyond the standard scope of reporting and includes the impact of gold and silver extraction or recycling as this forms such a significant proportion of our total business footprint. This more detailed reporting has been completed for 2021 and will be maintained on an annual basis going forwards.

Boundary, methodology and exclusions

Our greenhouse gas emissions reports is based on the March 2019 edition of HM Government Environmental Reporting Guidelines and uses UK Government GHG Conversion Factors for Company Reporting. We have identified the relevant activities and associated data for Scope 1, 2 and 3 emissions, which have been verified by an independent carbon consultant.

Reported emissions come from consumption of grid supplied electricity, grid supplied natural gas associated with the operation of buildings across the two UK sites and, company owned and operated transport, privately owned transport for business use and light goods vehicles. The Company has chosen to report SECR based on their financial boundary.

Cookson Precious Metals Limited

Directors' Report (continued) For the Year Ended 31 December 2023

Streamlined Energy and Carbon Report ("SECR") (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2022	2023
Mandatory requirements:		
Gas	606,664	626,857
Purchased electricity	1,926,449	2,029,151
Transport fuel	159,306	167,003
Total energy (mandatory)	2,692,495	2,823,010

NOTE: Figures may not sum due to rounding

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2022	2023
Mandatory requirements:		
Scope 1		
Gas	110.7	114.7
Company-owned vehicles	37.5	39.3
Scope 2		
Purchased Electricity (location based)	372.6	420.2
Scope 3		
Category 6: Business travel (grey fleet)	2.1	2.3
Total gross emissions (mandatory)	522.9	576.4

NOTE: Figures may not sum due to rounding

Intensity ratios	2022	2023
Mandatory emissions only:		
Tonnes of CO ₂ e per million-pound EBITDA £(m)	95.9	132.0
Tonnes of CO ₂ e per FTE Employees	1.99	2.39

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.

Auditors

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

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



P W Evans
Director

Date: 25 September 2024

Cookson Precious Metals Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2023

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Cookson Precious Metals Limited

Independent Auditor's report to the members of Cookson Precious Metals Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Cookson Precious Metals Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Cookson Precious Metals Limited

Independent Auditor's report to the members of Cookson Precious Metals Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the 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.

Opinions 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.

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, 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.

Cookson Precious Metals Limited

Independent Auditor's report to the members of Cookson Precious Metals Limited (continued)

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be, but not limited to, the Companies Act 2006, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and tax legislations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Cookson Precious Metals Limited

Independent Auditor's report to the members of Cookson Precious Metals Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, specifically regarding percentage of completion of project revenue, which was corroborated with supporting third party evidence and through discussions with individuals outside of finance.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

GA Watts

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Greg Watts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 25 September 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Cookson Precious Metals Limited

Statement of Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 £000	2022 £000
Turnover	4	488,491	367,555
Cost of sales		(470,478)	(348,558)
Gross profit		18,013	18,997
Distribution costs		(9,455)	(10,207)
Administrative expenses		(4,954)	(3,968)
Operating profit	5	3,604	4,822
Interest receivable and similar income	8	76	23
Interest payable and similar expenses	9	(2,251)	(2,563)
Profit before tax		1,429	2,282
Tax on profit	10	(303)	(335)
Profit for the financial year		1,126	1,947

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.


The notes on pages 17 to 31 form part of these financial statements.

Cookson Precious Metals Limited
Registered number:02775187

Statement of Financial Position
As at 31 December 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	12	6,197	4,871
Current assets			
Stocks	13	5,093	10,924
Debtors: amounts falling due within one year	14	6,929	7,851
Cash at bank and in hand		5,726	718
		<u>17,748</u>	<u>19,493</u>
Creditors: amounts falling due within one year	15	(8,351)	(8,696)
Net current assets		<u>9,397</u>	<u>10,797</u>
Total assets less current liabilities		<u>15,594</u>	<u>15,668</u>
Provisions for liabilities			
Deferred tax	16	(1,063)	(763)
		<u>(1,063)</u>	<u>(763)</u>
Net assets		<u><u>14,531</u></u>	<u><u>14,905</u></u>
Capital and reserves			
Called up share capital	17	7,000	7,000
Profit and loss account	18	7,531	7,905
		<u>14,531</u>	<u>14,905</u>

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



P W Evans
Director

The notes on pages 17 to 31 form part of these financial statements.

Cookson Precious Metals Limited

Statement of Changes in Equity For the Year Ended 31 December 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2023	7,000	7,905	14,905
Comprehensive income for the year			
Profit for the year	-	1,126	1,126
Total comprehensive income for the year	-	1,126	1,126
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,500)	(1,500)
Total transactions with owners	-	(1,500)	(1,500)
At 31 December 2023	7,000	7,531	14,531

Statement of Changes in Equity For the Year Ended 31 December 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2022	7,000	7,208	14,208
Comprehensive income for the year			
Profit for the year	-	1,947	1,947
Total comprehensive income for the year	-	1,947	1,947
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,250)	(1,250)
Total transactions with owners	-	(1,250)	(1,250)
At 31 December 2022	7,000	7,905	14,905

The notes on pages 17 to 31 form part of these financial statements.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

1. General information

Cookson Precious Metals Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page. The principal activity of the Company is the manufacture and supply of fabricated precious metal products to the jewellery industry in the UK and Continental Europe.

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 accounts have been prepared in the Company's functional currency, pounds sterling; all figures have been rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of L Possehl & Co. mbH as at 31 December 2023 and these financial statements may be obtained from its registered office as explained in note 22.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.3 Going concern

The Company's business activities and funding arrangements, together with the factors likely to affect its future development and position are set out within this Strategic Report or in the notes contained in the financial statements attached to this report.

The differing fortunes of our sales activities and the decision to invest in researching a new technology resulted in the Company reporting a reduced operating profit, albeit close to budget expectations, and remained cash generative.

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for a period of at least 12 months from the date of the approval of the financial statements. Detailed income statements and cash flow forecasts have been prepared and reviewed by the Company through to the period ending 30 September 2025 ("the period") to assist with this assessment that demonstrate that the Company will be able to operate and meet its external liabilities as they fall due for payment during this period.

This assessment was undertaken against both current and future trading conditions. The Directors do not consider that the impact of the ongoing conflict in Ukraine to have direct impact on the Company. However, the indirect impact of increasing cost of living and impact this could have on consumer confidence has been considered. The Directors consider as the Company obtains revenues from diverse sources, the overall business model remains resilient if one of those sources is materially impacted.

The most plausible adverse scenario the Directors have considered in assessing going concern involves the stress testing of a significant reduction in revenues. The reduction in revenues was applied for the whole of the going concern forecast model, through to September 2025. Whilst this demonstrated a reduction in profitability, this had only a minor impact to cash flows. There are other elements of operating cost savings which could also be applied to further mitigate the profit impacts not contained within the original modelling to further improve any potential adverse impact to the scenario considered.

During the year, the Company migrated from a homeworking to hybrid working practices for the sales and administrative teams, and for those who remained on site, the Company started the year maintaining a high standard of safety protocols, beyond published government guidance, however as Covid levels reduced and government guidance relaxed, operations were adjusted to reflect this.

After careful consideration of the above aspects, the Directors remain of the view that the cash forecast is achievable. As such the Directors consider that whilst uncertainty will always exist to more or lesser degrees, there is sufficient headroom within the forecasts that this does not pose a material uncertainty that would cast doubt on the Company's ability to continue to operate and meet its liabilities as they fall due for payment throughout the period, which is a period of at least 12 months from signing of the accounts. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.4 Foreign currency translation

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.

2.5 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.

Revenue is recognised when the principal risks and rewards of ownership transfers to the customer which is normally at the point of despatch.

2.6 Leased assets: the Company as lessor

Where assets are leased to a third party and give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

All other leases are treated as operating leases. Their annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

2.7 Leased assets: the Company as lessee

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Statement of Comprehensive Income over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.9 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 reporting 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 reporting date.

2.11 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.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.11 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:

Freehold property	- 2% - 4% per annum
Long-term leasehold property	- Over the term of the lease
Plant and machinery	- 7% - 33% per annum

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 profit or loss.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2.12 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in purchasing or manufacturing stocks together with, where appropriate, attributable overheads based on normal activity levels. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

Inventories of gold, silver and platinum group metals are valued according to the source from which the metal is obtained. Metal which has been purchased and committed to future sales to customers on the metal markets is valued at a price at which it is contractually committed. Other precious metal inventories owned by the Company which are uncommitted are valued at the lower of cost and net realisable value using the prevailing precious metal fix prices at the Statement of Financial Position date.

At each reporting 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 the Statement of Comprehensive Income.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.14 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.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.15 Creditors

Short-term creditors are measured at the transaction price.

2.16 Financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade and other debtors and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The Company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in the Statement of Comprehensive Income.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets are impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise trade creditors, accruals and amounts due to group undertakings; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

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

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Bad debt provisions

The Company has recognised provisions for bad debts. This is based on an assessment of ageing and due date of receivables and other risk indicators. The judgement of management is then applied to provide for debts which are no longer considered recoverable.

Credit note provisions

The Company has recognised a provision in respect of credit notes to be issued to trade debtors. This provision is based on the knowledge of the directors around historical credit notes issued and potential credit notes to be issued in the future in relation to customer invoices raised during the year.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock provisions

The Company has recognised provisions for the impairment of stock. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors. In the case of the provision for the impairment of stock, this covers obsolescence through technological or customer specific reasons. This provision is based on the assessment of stock value and ageing, quantities on hand and usage.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

4. Turnover

Analysis of turnover by country of destination:

	2023 £000	2022 £000
United Kingdom	480,830	360,742
Rest of Europe	6,876	6,088
Rest of the world	785	725
	<u>488,491</u>	<u>367,555</u>

Turnover is wholly attributable to the principal activity of the Company.

5. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Depreciation	665	587
Exchange differences	(138)	(145)
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	64	50
Fees payable to the Company's auditor for taxation compliance services	18	13
Fees payable to the Company's auditor for other non-audit services	14	9
Defined contribution pension scheme	959	903
Operating lease cost	241	239
	<u>241</u>	<u>239</u>

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

6. Employees

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

	2023 £000	2022 £000
Wages and salaries	9,118	8,539
Social security costs	780	734
Cost of defined contribution scheme	959	903
	10,857	10,176

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

	2023 No.	2022 No.
Operations	118	122
Administration and selling	159	142
	277	264

7. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	371	280
Company contributions to defined contribution pension schemes	54	43
	425	323

During the year retirement benefits were accruing to 7 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £113,000 (2022 - £202,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,000 (2022 - £28,000).

Key management personnel include all the directors of the Company. The directors do not consider any other personnel to be classified as key management. The directors have the authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation paid to key management personnel for services provided to the Company was £425,000 (2022 - £323,000).

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

8. Interest receivable and similar income

	2023 £000	2022 £000
Other interest receivable	76	23
	76	23

9. Interest payable and similar expenses

	2023 £000	2022 £000
Precious metal consignment interest	2,251	2,563
	2,251	2,563

10. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	80	229
Adjustments in respect of previous periods	(77)	(162)
Total current tax	3	67
Deferred tax		
Origination and reversal of timing differences	269	150
Adjustments in respect of previous periods	31	71
Changes to tax rates	-	47
Total deferred tax	300	268
Tax on profit	303	335

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	1,429	2,282
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	336	434
Effects of:		
Expenses not deductible for tax purposes	1	1
Fixed asset differences	-	(56)
Adjustments to tax charge in respect of prior periods	(46)	(91)
Change in tax rate	12	47
Total tax charge for the year	303	335

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2023 £000	2022 £000
Dividends paid on equity capital		
Interim dividends paid of 21.43p (2022 - 17.86p) per share	1,500	1,250

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

12. Tangible fixed assets

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation				
At 1 January 2023	1,261	1,642	8,334	11,237
Additions	-	-	1,991	1,991
Disposals	-	-	(8)	(8)
At 31 December 2023	<u>1,261</u>	<u>1,642</u>	<u>10,317</u>	<u>13,220</u>
Depreciation				
At 1 January 2023	688	1,134	4,544	6,366
Charge for the year on owned assets	21	40	604	665
Disposals	-	-	(8)	(8)
At 31 December 2023	<u>709</u>	<u>1,174</u>	<u>5,140</u>	<u>7,023</u>
Net book value				
At 31 December 2023	<u>552</u>	<u>468</u>	<u>5,177</u>	<u>6,197</u>
At 31 December 2022	<u>574</u>	<u>508</u>	<u>3,789</u>	<u>4,871</u>

The net book value of land included in Freehold land and buildings is £116,000 (2022 - £116,000).

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

13. Stocks

	2023 £000	2022 £000
Raw materials and consumables	697	5,449
Work in progress	3,442	789
Finished goods and goods for resale	954	4,686
	<u>5,093</u>	<u>10,924</u>

Consignment stock

In addition to the stocks recorded in the Statement of Financial Position, the Company held precious metals on consignment terms with a total value at 31 December 2023 of £142.4m (2022 - £139.1m), as explained further below. The Company also held precious metals on consignment terms on behalf of customers for processing, the total value of which at 31 December 2022 was £7.3m (2022 - £6.9m).

The company has entered into various precious metal consignment arrangements with precious metal consigning entities ("the Consignors") until the stock is purchased by the Company. As the Consignors retain title and associated risks and rewards of ownership under these arrangements, the value of the physical metal held is not recognised in the company Statement of Financial Position. The utilisation of consigned precious metal is established practice in the precious metal industry.

There is no material difference between the replacement cost of stocks and the amounts stated above.

Impairment provision at the year-end relating to damaged or obsolete inventories amounted to £605,000 (2022- £350,000).

14. Debtors

	2023 £000	2022 £000
Trade debtors	3,999	4,207
Amounts owed by group undertakings	1,312	2,192
Other debtors	694	370
Prepayments and accrued income	924	1,082
	<u>6,929</u>	<u>7,851</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the Statement of Comprehensive Income for the period in respect of bad and doubtful trade debtors was £24,000 (2022 - gain of £15,000).

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

15. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	3,165	3,471
Amounts owed to group undertakings	715	811
Other taxation and social security	1,163	1,604
Accruals and deferred income	3,308	2,810
	8,351	8,696

16. Deferred taxation

	2023 £000	2022 £000
At beginning of year	763	495
Charged to profit or loss	300	268
At end of year	1,063	763

The provision for deferred taxation is made up as follows:

	2023 £000	2022 £000
Fixed asset timing differences	1,063	763

17. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
7,000,000 (2022 - 7,000,000) Ordinary shares of £1.00 each	7,000	7,000

The profits of the Company are available for distribution in respect of each accounting period. In the event of winding-up the Company, surplus assets and retained profits of the Company after payments of its liabilities are available for distribution amongst members.

Cookson Precious Metals Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

18. Reserves

Share capital

This reserve relates to the share capital issued to shareholders at nominal value.

Profit and loss account

This reserve relates to the cumulative net gains and losses recognised in the Statement of Comprehensive Income, net of dividends paid.

19. Contingent liabilities

The Company is a party to a historic guarantee of £400,000 in favour of HMRC within their banking facility dating back to 2000.

The company is party to a shared overdraft facility with its sister companies, WB The Creative Jewellery Group Limited and Gecko Trading Limited. As at 31 December 2023 there was a total overdraft drawn of £2,577,000 (2022 - £370,000), of which all of the drawings relates to the sister companies.

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £959,000 (2022 - £903,000). Contributions totaling £3,000 (2022 - £Nil) were payable to the fund at period end.

21. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	237	239
Later than 1 year and not later than 5 years	618	640
Later than 5 years	378	58
	<u>1,233</u>	<u>937</u>

22. Controlling party

The Company is a subsidiary of L Possehl & Co. mbH which is the ultimate parent company incorporated in Germany.

The largest group in which the results of the Company are considered is that headed by L. Possehl & Co. mbH, incorporated in Germany. The smallest group in which they are consolidated is that headed by Heimerie & Meule GmbH, incorporated in Germany. The consolidated accounts are available to the public and may be obtained from Beckergrube 38-52, 23552 Lubeck, Germany.