

# Mil-Ver Metal Company Limited

Report and Financial Statements

Year Ended

31 December 2023

Company Number 01634739



# Mil-Ver Metal Company Limited

Report and financial statements  
for the year ended 31 December 2023

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## Directors

D Sher  
I Bell  
S Mohammed

## Registered office

Coronel Avenue, Rowleys Green Industrial Estate, Coventry, West Midlands, CV6 6AP

## Company number

01634739

## Auditors

Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP

# Mil-Ver Metal Company Limited

## Strategic report for the year ended 31 December 2023

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The directors present their strategic report for the year ended 31 December 2023.

### **Principal activities, review of business and future developments**

The Company's principal activity is that of aluminium and copper recycling, refining and resale.

The company built on the performance of 2022 satisfying its key customers and maintaining strong profit margins. The company successfully refined its supply sources and enhanced its flexibility, leading to improved production per capita and resulting in lower production costs per tonne. The company kept its working capital under tight control and was able to limit its exposure to the interest rate rises during the year.

The strategy for the business in 2024 continues to target improved energy consumption, production efficiency and to selectively add new product lines where the margin is acceptable. Working capital continues to be carefully managed given the increased cost of finance. The business continues to monitor the impact global affairs on its own processes, automotive supply chains, and key business relationships, and the company is in a strong financial position to manage the risks while continuing to take new opportunities arising from both existing and new product lines.

The company continues to develop projects to reduce its carbon footprint, partnering with universities, equipment providers and other manufacturers in the UK on plans to help achieve the governments Net Zero Strategy.

The Directors consider the balance sheet and financing in place to be satisfactory for the on going business.

### **Principal risks and uncertainties, and financial instruments**

Russia's invasion of Ukraine has created an economic crisis. However, the Company key customer base remains stable and does not hold any exposure in Russian markets consequently the war in Ukraine has no impact on the Company's ongoing trading operation. Potential risks with business sectors and counterparties can be mitigated by strict adherence to robust due diligence procedures.

The main financial risks arising from the Company's activities are credit risk, market risk (metal prices and foreign exchange) and liquidity risk. These are monitored by the board of directors.

The Company's policy in respect of credit risk is to mitigate the risk of loss by adhering to credit control procedures including the use of credit limits and credit insurance.

Exposures to metal price movements are restricted by the imposition of trading position limits agreed by the board of directors. Where appropriate, London Metals Exchange ("LME") contracts are used to offset the metal price exposure inherent in the physical metal contracts.

The Company mitigates its foreign exchange risk by entering into forward currency contracts.

Liquidity risk is managed by planning for future funding requirements to ensure adequate facilities are available.

# Mil-Ver Metal Company Limited

Strategic report (continued)  
for the year ended 31 December 2023

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## Financial key performance indicators

The key performance indicators of the Company are sales and operating profit/(loss).

	2023 £	2022 £
Sales	22,220,180	24,313,899
EBITDA	2,854,826	956,472
Operating profit margin %	10%	2%

## Post balance sheet events

There are no events affecting the Company since the year end.

This report was approved by the board on 27-06-2024 and signed on its behalf.



S Mohammed  
Director

# Mil-Ver Metal Company Limited

## Directors' report for the year ended 31 December 2023

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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 £1,508,529 (2022 – £309,521).

The directors do not recommend the payment of a final dividend for the year (2022 - £Nil).

A review of business and future developments is set out within the strategic report.

### Financial instruments

Details of the use of financial instruments by the company is set out within the strategic report.

### Directors

The directors who served during the year were:

D Sher  
I Bell  
S Mohammed

### Charitable and political contributions

During the year the Company made charitable donations of £325 (2022 - £635). There were no political contributions.

### Directors liability insurance and Indemnity

The Company has arranged insurance cover in respect of legal action against its Directors. To the extent permitted by UK law, the Company also indemnifies the Directors. These provisions were in force throughout the year and in force at the date of this report.

### Disclosure of information to auditors

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

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

# Mil-Ver Metal Company Limited

Directors' report (continued)  
for the year ended 31 December 2023


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## Auditors

The directors have taken all reasonable steps to acquaint themselves with any relevant audit information and have ensured that the auditors have received such information. The directors are not aware of any relevant audit information that has not been passed to the auditors.

Moore Kingston Smith LLP are deemed to be reappointed in accordance with an elective resolution made under the Companies Act 2006 section 485.

This report was approved by the board on 27-06-2024 and signed on its behalf.



S Mohammed  
Director

# Mil-Ver Metal Company Limited

## Directors' responsibilities statement for the year ended 31 December 2023

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

# Mil-Ver Metal Company Limited

## Independent auditor's report to the Members of Mil-Ver Metal Company Limited

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### Opinion

We have audited the financial statements of Mil-Ver Metal Company 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 UK, including the FRC'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

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.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

# Mil-Ver Metal Company Limited

## Independent auditor's report (continued)

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### 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.

### 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 set out on page 5, 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.

### 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

# Mil-Ver Metal Company Limited

## Independent auditor's report (*continued*)

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

# Mil-Ver Metal Company Limited

## Independent auditor's report *(continued)*

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### 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Paul Springfield (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street  
London  
EC2A 2AP

Date 27 June 2024

# Mil-Ver Metal Company Limited

## Statement of comprehensive income for the year ended 31 December 2023

	Note	2023 £	2022 £
Turnover	3	22,220,180	24,313,899
Change in stocks of finished goods and work in progress		(1,902,345)	(1,715,392)
Other operating income		81,510	48,000
Raw materials and consumables		(11,961,151)	(15,027,063)
Other operating charges		(3,739,692)	(4,578,862)
Staff costs	5	(1,843,676)	(2,084,110)
Depreciation and other amounts written off tangible fixed assets		(671,720)	(572,116)
<b>Profit from operations</b>	4	<b>2,183,106</b>	<b>384,356</b>
Interest receivable and other similar income		37,857	-
Interest payable and similar charges	7	(225,564)	-
<b>Profit on ordinary activities before taxation</b>		<b>1,995,399</b>	<b>384,356</b>
Taxation on profit on ordinary activities	8	(486,870)	(74,835)
<b>Profit and total comprehensive income for the year</b>		<b>1,508,529</b>	<b>309,521</b>

All amounts relate to continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

# Mil-Ver Metal Company Limited

## Statement of financial position at 31 December 2023

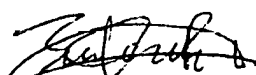
<i>Company number 01634739</i>	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	9		2,570,895		3,026,269
<b>Current assets</b>					
Stocks	10	2,329,893		4,250,002	
Debtors	11	3,524,842		3,619,886	
Cash at bank and in hand		1,442,646		1,192,550	
		<u>7,297,381</u>		<u>9,062,438</u>	
<b>Creditors: amounts falling due within one year</b>	12	(4,943,222)		(3,647,023)	
<b>Net current assets</b>			<u>2,354,159</u>	<u>5,415,415</u>	
<b>Total assets less current liabilities</b>			<u>4,925,054</u>	<u>8,441,684</u>	
<b>Creditors: amounts falling due after more than one year</b>	13		(1,000,000)	(6,000,000)	
<b>Provision for liabilities</b>					
Deferred tax	15		(145,839)	(170,998)	
<b>Net assets</b>			<u>3,779,215</u>	<u>2,270,686</u>	
<b>Capital and reserves</b>					
Called up share capital	16		6,027,000	6,027,000	
Profit and loss account			(2,247,785)	(3,756,314)	
<b>Shareholders' funds</b>			<u>3,779,215</u>	<u>2,270,686</u>	

The financial statements were approved by the Board of Directors and authorised for issue on 27/06/2024

S Mohammed  
Director



I Bell  
Director



The notes on pages 13 to 25 form part of these financial statements.

## Mil-Ver Metal Company Limited

### Statement of changes in equity for the year ended 31 December 2023

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	Share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2022</b>	6,027,000	(4,065,835)	1,961,165
<b>Comprehensive income for the year</b>			
Profit for the year	-	309,521	309,521
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2022</b>	6,027,000	(3,756,314)	2,270,686
	<hr/>	<hr/>	<hr/>
<b>At 1 January 2023</b>	6,027,000	(3,756,314)	2,270,686
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,508,529	1,508,529
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2023</b>	6,027,000	(2,247,785)	3,779,215
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The notes on pages 13 to 25 form part of these financial statements.

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023

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### 1 Accounting policies

#### *Company information*

Mil-Ver Metal Company Limited is a private Company limited by shares incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations is stated in the Strategic Report.

#### *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include certain financial instruments at fair value.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 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 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 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AMCO Investments Limited as at 31 December 2023 and these financial statements may be obtained from Coronel Avenue, Rowleys Green Industrial Estate, Coventry, West Midlands, CV6 6AP.

#### *Going concern*

The Company made a profit of £1,508,529 (2022 - £309,521) for the year and at the balance sheet date had net assets of £3,779,215 (2022 - £2,270,686). The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow Subsidiaries. On the basis of their assessment of the Company's financial position and of the enquiries made of Amalgamated Metal Corporation PLC ("AMC PLC"), the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least twelve months following the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

### 1 Accounting policies (continued)

#### *Turnover*

Turnover is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover 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.

#### *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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged 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 bases:

Freehold property	-	2% - 10% straight line
Leasehold property	-	2% - 33% straight line
Plant and machinery	-	10% - 33% straight line
Fixtures and fittings	-	10% - 33% 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 within 'other operating income' in the Statement of Comprehensive Income.

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

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### 1 Accounting policies (continued)

#### *Operating leases: Lessee*

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

#### *Stock*

Stock is 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stock is 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 profit or loss.

The fair values of metal stocks along with other financial derivatives are measured at each reporting date and changes in the fair value are recognised in profit or loss in other operating charges.

#### *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.

#### *Financial instruments*

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

Debt instruments, other than those wholly repayable or receivable within one year, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at transaction price and less any impairment in the case of receivables.

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

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

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

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Financial instruments (continued)*

The Company operates a risk reduction policy to restrict exposure to profits or losses arising from fluctuating currency rates and base metals prices by using financial derivatives, specifically forward foreign exchange contracts and forward metal purchase and sales contracts. These are not basic financial instruments. In order to prevent distortions of profits and losses which could result from timing differences in realising results from hedging transactions and from physical transactions separately, all derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re measured at their fair value. Changes in the fair value of derivatives and metal stocks are recognised in profit or loss in other operating charges, and in receivables or payables as appropriate, with due allowance made for the costs of completing each contract.

Amalgamated Metal Corporation (AMC) PLC participates in a £30,000,000 banking facility. This facility is guaranteed by certain UK subsidiaries of AMC PLC, including Mil-Ver Metal Company Limited.

#### *Foreign currency translation*

The financial statements are presented in 'sterling', which is the company's functional (the currency of the primary economic environment in which the entity operates) and presentation currency.

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 Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

#### *Finance costs*

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate 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.

#### *Pensions*

The pension cost represents contributions during the period to the Group defined benefit scheme, the Group personal pension plan and various defined contribution schemes, the level of which is based on the recommendations of the actuary and insurance companies.

#### *Government grants*

Proceeds from government grants are recognised under the accrual model. Grants that are received in respect of expenses or losses already incurred by the entity are recognised in the Statement of Comprehensive Income in the period when the grant becomes receivable. Capital-based grants are recognised in Statement of Comprehensive Income on a systematic basis over the useful economic life of the asset.

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

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### 1 Accounting policies (continued)

#### *Current and deferred taxation*

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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 Statement of Financial Position 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2. Judgements 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 affect 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:

- 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

At each reporting date stock is 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. Further details can be found in note 10.

# Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (continued)

## 3 Analysis of Turnover

	2023 £	2022 £
Analysis of turnover by country of destination:		
United Kingdom	22,210,410	24,166,701
Europe	9,770	124,739
Rest of the world	-	22,459
	<u>22,220,180</u>	<u>24,313,899</u>

All the company's turnover is derived from its one principal activity.

## 4 Operating profit

	2023 £	2022 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	671,720	572,116
Loss on sale of tangible fixed assets	1,000	10,335
Grant income (excluding job retention scheme)	(45,510)	-
Fees payable to the company's current auditor for auditing the annual accounts	24,150	23,000
Rent payable under operating leases	234,421	224,770
	<u>234,421</u>	<u>224,770</u>

## 5 Employees

	2023 £	2022 £
Staff costs were as follows:		
Wages and salaries	1,623,448	1,780,975
Social security costs	116,761	165,697
Other pension costs	103,467	137,438
	<u>1,843,676</u>	<u>2,084,110</u>

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

	2023	2022
Production	30	38
Admin	10	17
	<u>40</u>	<u>55</u>

## Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

6 Directors' remuneration	2023 £	2022 £
Directors' emoluments	<u>118,415</u>	<u>98,767</u>
Emoluments represents amounts paid to 1 director (2022 – 1).		
The remaining directors are remunerated by the parent company, and it is not practicable to allocate their remuneration across individual subsidiary entities.		
<b>7 Interest payable and similar charges</b>		
	2023 £	2022 £
Loans from group companies	<u>225,564</u>	<u>-</u>
<b>8 Taxation</b>		
	2023 £	2022 £
<i>Current tax</i>		
Corporation tax on profit of the year	525,027	93,674
Corporation tax (over)/under provision in previous year	(12,998)	3,551
Total current tax	<u>512,029</u>	<u>97,225</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(45,128)	(22,390)
Adjustment in respect of previous periods	19,969	-
Movement in deferred tax provision	<u>(25,159)</u>	<u>(22,390)</u>
Taxation charge on ordinary activities	<u>486,870</u>	<u>74,835</u>

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

### 8 Taxation (continued)

#### *Factors affecting tax charge for the year*

On 1 April 2023 the standard rate of corporation tax in the UK changed from 19% to 25%. For the year ended 31 December 2023 this gives rise to an applicable rate of corporation tax of 23.5%.

The tax assessed for the year is higher than (2022 - higher than) the applicable rate of corporation tax in the UK of 23.5% (2022 – 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	1,995,399	384,356
Profit on ordinary activities at the applicable rate of corporation tax in the UK of 23.5% (2022 – 19%)	468,919	73,028
Effects of:		
Other permanent differences	13,241	(2,426)
(Over)/under provision in previous year	(12,998)	3,551
Origination and reversal of timing differences	17,708	682
Total tax charge for year	486,870	74,835

## Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 *(continued)*

### 9 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2023	435,809	2,180,936	9,121,380	506,938	12,245,063
Additions	-	-	216,346	-	216,346
Disposals	-	-	(361,170)	-	(361,170)
	<u>435,809</u>	<u>2,180,936</u>	<u>8,976,556</u>	<u>506,938</u>	<u>12,100,239</u>
At 31 December 2023	435,809	2,180,936	8,976,556	506,938	12,100,239
<i>Depreciation</i>					
At 1 January 2023	185,599	1,114,823	7,504,970	413,402	9,218,794
Charge for the year	3,275	77,397	561,054	29,994	671,720
Disposals	-	-	(361,170)	-	(361,170)
	<u>188,874</u>	<u>1,192,220</u>	<u>7,704,854</u>	<u>443,396</u>	<u>9,529,344</u>
At 31 December 2023	188,874	1,192,220	7,704,854	443,396	9,529,344
<i>Net book value</i>					
At 31 December 2023	<u>246,935</u>	<u>988,716</u>	<u>1,271,702</u>	<u>63,542</u>	<u>2,570,895</u>
At 31 December 2022	<u>250,210</u>	<u>1,066,113</u>	<u>1,616,410</u>	<u>93,536</u>	<u>3,026,269</u>

# Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (continued)

10 Stocks	2023 £	2022 £
Raw materials and consumables	965,345	2,442,678
Finished goods and goods for resale	1,364,548	1,807,324
	<u>2,329,893</u>	<u>4,250,002</u>

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

An impairment credit of £10,000 (2022 credit of £30,000) was recognised in cost of sales against stock during the year due to a reduction in slow moving and obsolete stock. At the end of the year the provision for impairment was £6,000 (2022 - £16,000).

11 Debtors	2023 £	2022 £
Trade debtors	3,198,357	3,262,551
Amounts owed by group undertakings	107,678	195,312
Other debtors	-	286
Derivative financial instruments	772	8,184
Prepayments and accrued income	218,035	153,553
	<u>3,524,842</u>	<u>3,619,886</u>

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

12 Creditors: amounts falling due within one year	2023 £	2022 £
Trade creditors	1,017,117	2,008,549
Amounts owed to group undertakings	2,259,073	287,836
Other taxation and social security	330,725	154,889
Corporation tax liability	142,030	93,674
Other creditors	10,407	19,579
Accruals and deferred income	1,183,870	1,082,496
	<u>4,943,222</u>	<u>3,647,023</u>

# Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (continued)

## 13 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Amounts owed to group undertakings	1,000,000	6,000,000

A long-term loan facility has been made available by the parent company until 31 August 2025.

The loan is interest bearing. During the year the interest charged on group loans totalled £225,564, in 2022 the loan interest was waived.

## 14 Loans

The maturity of source of debt finance is as follows:

	2023 £	2022 £
<b>Amounts owed to group undertakings</b>		
Between 1-2 years	1,000,000	-
Between 2-5 years	-	6,000,000

## 15 Deferred taxation

	Deferred tax £
At 1 January 2023	170,998
Credited to the statement of comprehensive income	(25,159)
At 31 December 2023	145,839

The provision for deferred tax is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	148,839	170,998

# Mil-Ver Metal Company Limited

Notes forming part of the financial statements  
for the year ended 31 December 2023 (*continued*)

## 16 Share capital

	2023 £	2022 £
<i>Allotted, called up and fully paid</i> 6,027,000 (2022 - 6,027,000) ordinary shares of £1 each	<u>6,027,000</u>	<u>6,027,000</u>

## 17 Pension commitments

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £103,467 (2022 - £137,438). At the end of the year there were outstanding contributions of £10,348 (2022 - £13,574) included within other creditors.

## 18 Commitments under operating leases

At 31 December 2023 and 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	235,211	229,711
Later than 1 year and not later than 5 years	922,744	906,174
Later than 5 years	2,508,297	2,689,494
	<u>3,666,252</u>	<u>3,825,379</u>
Total	<u>3,666,252</u>	<u>3,825,379</u>

# Mil-Ver Metal Company Limited

## Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

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### 19 Related party disclosures

The company has exercised the exemption under FRS 102 Section 33.1A and has not disclosed transactions between itself and other 100% controlled subsidiary undertakings of the Amalgamated Metal Corporation PLC (AMC).

The company traded with Sansing Limited, a majority owned subsidiary of AMC. During the year the company made sales of £Nil (2022 - £22,459). At the end of the year Sansing Limited owed the company £Nil (2022 - £Nil).

The company traded with Scanmetals (UK) Limited, an associate company to AMC. During the year the company made purchases of £197,853 (2022 - £Nil). At the end of the year the company owed Scanmetals (UK) Limited £Nil (2022 - £Nil).

### 20 Ultimate parent company and parent undertaking of larger group

The Company is a subsidiary of Amalgamated Metal Investment Holdings Limited, which is incorporated in England and Wales.

The company's ultimate parent undertaking and ultimate controlling party is AMCO Investments Limited ("AMCO"), a company incorporated in England and Wales. AMCO is the parent of the largest group of undertakings for which consolidated financial statements are drawn up and of which the company is a member. Copies of the consolidated financial statements of AMCO are available at the company's registered office: Level 35, 110 Bishopsgate, London EC2N 4AY.

Amalgamated Metal Corporation PLC is the parent of the smallest group of undertakings for which consolidated financial statements are drawn up and of which the company is a member. Copies of the consolidated financial statements are available at the company's registered office: Level 35, 110 Bishopsgate, London EC2N 4AY.