

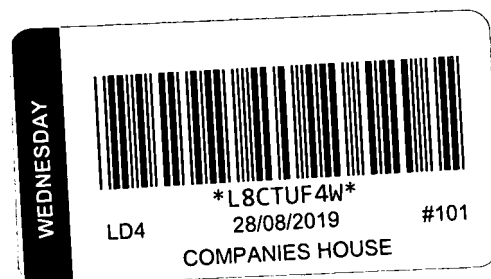
Keeling & Walker Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 00144119



Keeling & Walker Limited

Report and financial statements
for the year ended 31 December 2018

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Directors

H T K Brown
D H J Guhl
D S Sher

Registered office

Whieldon Road, Stoke-on-Trent, ST4 4JA

Company number

00144119

Auditors

BDO LLP, 55 Baker St, Marylebone, London W1U 7EU

Keeling & Walker Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2018.

Principal activities

The company's principal activity is the manufacture of tin oxide.

Review of business

Profitability has declined during 2018 as a result of higher sales volumes, but lower margins are being obtained with lower tin prices.

The company expects volumes and margins to remain fairly steady in 2019.

Key performance indicators

Key financial performance indicators of the company are:

	2018 £	2017 £
Sales	20,860,783	20,472,698
Operating profit	1,386,233	1,591,835
Operating profit % to sales	6.6	7.8

Principal risks and uncertainties and financial instruments

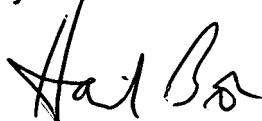
The main financial risks arising from the Company's activities are credit risk, commodity price risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date. The company enters into forward contracts to mitigate its foreign exchange and commodity price risks.

The company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made and checks are regularly maintained during the course of any ongoing business relationship.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long and short term debt finance from its group and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations.

The company finances itself through retained earnings, group treasury facilities and group loans.

By order of the board



H T K Brown
Director

Date 14/8/2019

Keeling & Walker Limited

Directors' report for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the profit for the year.

During the year a final dividend of £1,222,439 was paid in respect of the year ended 31 December 2017. The directors recommend a final dividend of £1,080,790 in respect of the year ended 31 December 2018. In accordance with FRS 102 no provision has been made for this dividend in the Company's financial statements as at 31 December 2018.

Financial instruments

Details of financial instruments are set out in the Strategic Report on page 1.

Directors

The directors of the company during the year were:

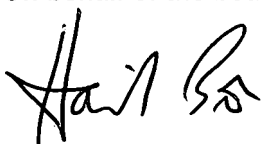
H T K Brown
D H J Guhl
D S Sher

Auditors

All of the current directors have taken every step that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



H T K Brown
Director

Date 14/8/2019

Keeling & Walker Limited

Directors' responsibilities statement for the year ended 31 December 2018

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. 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;
- 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.

Keeling & Walker Limited

Independent auditor's report to the Members of Keeling & Walker Limited

Opinion

We have audited the financial statements of Keeling & Walker Limited ("the Company") for the year ended 31 December 2018 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

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

Keeling & Walker Limited

Independent auditor's report to the Members of Keeling & Walker Limited (*continued*)

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.

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 and 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 determines 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.

Keeling & Walker Limited

Independent auditor's report to the Members of Keeling & Walker 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.

A further description of our responsibilities for the audit of the financial statements is located at 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.

BDO LLP

*Peter Smith (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date *14/8/2019*

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

Keeling & Walker Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	20,860,783	20,472,698
Increase in stocks of finished goods and work in progress		(517,161)	219,742
		20,343,622	20,692,440
Raw materials and consumables		16,264,914	16,595,284
Staff costs	5	959,179	1,080,827
Depreciation and other amounts written off fixed assets	11	221,220	193,260
Other operating charges		1,512,076	1,231,234
Operating profit	4	1,386,233	1,591,835
Income from other fixed asset investments	7	43,981	26,657
Interest payable and similar charges	8	(142,350)	(138,601)
Profit on ordinary activities before taxation		1,287,864	1,479,891
Taxation on profit on ordinary activities	9	(207,074)	(257,452)
Profit for the financial year		1,080,790	1,222,439
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,080,790	1,222,439

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

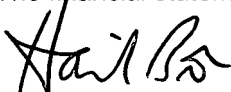
Keeling & Walker Limited

Statement of financial position at 31 December 2018

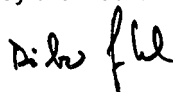
Company number 00144119	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		2,716,929		2,716,801
Fixed asset investments	12		347,241		347,241
			<u>3,064,170</u>		<u>3,064,042</u>
Current assets					
Stocks	13	2,630,059		2,373,023	
Debtors	14	1,582,446		2,706,993	
Cash at bank and in hand		1,380		1,345	
		<u>4,213,885</u>		<u>5,081,361</u>	
Creditors: amounts falling due within one year	15	2,961,959		3,780,381	
Net current assets			<u>1,251,926</u>		<u>1,300,980</u>
Total assets less current liabilities			<u>4,316,096</u>		<u>4,365,022</u>
Creditors: amounts falling due after more than one year	16	1,574,803		1,481,481	
Provisions	18	160,506		161,102	
			<u>1,735,309</u>		<u>1,642,583</u>
			<u>2,580,787</u>		<u>2,722,439</u>
Capital and reserves					
Called up share capital	19		30,000		30,000
Revaluation reserve			180,120		180,120
Profit and loss account			2,370,667		2,512,319
			<u>2,580,787</u>		<u>2,722,439</u>

The financial statements were approved by the Board of Directors and authorised for issue on

14/8/2019



H T K Brown
Director



D H J Guhl
Director

The notes on pages 10 to 23 form part of these financial statements.

Keeling & Walker Limited

Statement of changes in equity for the year ended 31 December 2018

Year ended 31 December 2018

	Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2018	30,000	180,120	2,512,319	2,722,439
Profit and total comprehensive income for the financial year	-	-	1,080,790	1,080,790
Dividends	-	-	(1,222,442)	(1,222,442)
At 31 December 2018	30,000	180,120	2,370,667	2,580,787

Year ended 31 December 2017

	Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2017	30,000	180,120	2,084,573	2,294,693
Profit and total comprehensive income for the financial year	-	-	1,222,439	1,222,439
Dividends	-	-	(794,695)	(794,693)
At 31 December 2017	30,000	180,120	2,512,319	2,722,439

The purpose of each reserve within equity is as follows:

Share Capital	The nominal value of allotted and fully paid up ordinary share capital
Revaluation reserve	Cumulative revaluation gains in respect of freehold property recognised up to the date of transition to FRS 102
Profit and loss account	Cumulative net gains and losses recognised in the statement of comprehensive income net of dividends paid on equity shares and other adjustments.

The notes on pages 10 to 23 form part of these financial statements.

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Keeling & Walker is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. 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.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The accounts have been prepared in the company's functional currency, Pounds Sterling.

The financial statements are included within the consolidated group financial statements of Amalgamated Metal Corporation Plc. The accounts have been prepared using the reduced disclosure exemptions permitted by FRS 102 and therefore do not include:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.39 to 11.48A;
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Amalgamated Metal Corporation Plc and these financial statements may be obtained from the Amalgamated Metal Corporation Plc company website.

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).

The following principal accounting policies have been applied:

Going concern

The company's business activities and performance are set out in the Strategic Report. The company is expected to continue to have access to adequate funding resources for at least 12 months following the date of signing of the financial statements. The company participates in the Group's centralised treasury arrangement 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, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for at least 12 months following the signing of the financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidated financial statements

The financial statements contain information about Keeling & Walker Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

Turnover

Turnover is recognised when significant risks and rewards of ownership have passed to the buyer, and it is probable the Company will receive the consideration. Generally, this occurs when goods are delivered to the buyer. Revenue is measured at the total value of goods and services provided excluding discounts, rebates and value added tax.

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings, 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 charge to profit or loss during the period in which they are incurred.

Freehold land and buildings

As permitted by the FRS 102 transition rules, the company has elected to treat the revalued amount of freehold land and buildings under previous UK GAAP as the deemed cost. Freehold land and buildings are therefore stated at deemed cost plus the historical cost of subsequent additions less subsequent accumulated depreciation.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% straight line
Plant and machinery	- 7% - 25% straight line
Fixtures, fittings, tools and equipment	- 14% - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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.

Impairment of fixed assets

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 value 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Valuation of investments

Investments in subsidiary undertakings held as fixed assets are stated at cost less any provision for impairment.

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks are valued at the lower of cost, including appropriate overheads, and net realisable value. Cost is calculated using the specific cost of acquisition of stocks to fulfil specific customer orders.

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

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.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Where grants impose future performance conditions, income is only recognised to the extent that the directors are confident that the performance conditions will be met. Grants relating to expenditure on tangible fixed assets are credited to profit and loss at the same rate as the depreciation on the asset to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Basic financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors 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. Financial assets that are receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be received. The company considers evidence of impairment for all individual trade and other debtors, and any subsequent impairment is recognised in profit or loss.

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 is 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 bank overdrafts, trade creditors, other creditors, amounts owed to group undertakings and accruals. These are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest rate method. Financial liabilities that are payable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid.

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Non-basic financial instruments

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 currency and metals forward contracts entered into with a fellow subsidiary undertaking.

Derivatives are non-basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss as appropriate.

Foreign currency

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to profit or loss and recognised within other operating expenses.

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.

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.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Research and development

Expenditure on research and development is written off as incurred.

Leased assets

All lease contracts are operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

1 Accounting policies *(continued)*

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.

Pension costs

The company participates in a defined benefit pension scheme operated by its UK holding company, Amalgamated Metal Corporation Plc. Contributions to the scheme are based on pension costs across the group as a whole and are based on professional and independent actuarial advice. There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities; therefore company contributions to the scheme are recognised within profit and loss on an accruals basis. The pension cost represents contributions during the period to the Group defined benefit scheme, the level of which is based on the recommendations of the actuary and insurance companies.

The company also makes contributions to the defined contribution pension scheme and various defined contribution schemes for certain employees. Amounts are charged to the profit and loss account in the year in which they become payable.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether interest charged on the company's long-term intra-group loan facility is at a market rate. The judgement that interest is charged at a market rate has resulted in the fair value of the long term liability being determined to equate to the amount borrowed.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 11)*

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 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 (see note 13)*

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 sell. The impairment loss is recognised immediately in profit and loss.

- *Trade debtors (see note 14)*

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying value of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in profit and loss.

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

3 Analysis of Turnover

	2018 £	2017 £
Analysis of turnover by country of destination:		
United Kingdom and Continental Europe	15,025,250	15,032,398
North and Central America	2,292,754	1,614,600
Asia	3,542,778	3,825,700
	<u>20,860,783</u>	<u>20,472,698</u>

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

4 Operating profit

	2018 £	2017 £
This is arrived at after charging/(crediting):		
Inventory recognised as an expense	16,264,914	16,595,284
Depreciation of tangible fixed assets	221,220	193,260
Hire of plant and machinery - operating leases	8,620	8,714
Fees payable to the company's auditor for the auditing of the company's annual accounts	11,880	10,664
Exchange differences	13,300	(3,400)
Research and development	45,601	46,617
	<u>16,365,535</u>	<u>16,555,139</u>

5 Employees

	2018 £	2017 £
Staff costs (including directors) consist of:		
Wages and salaries	820,620	949,856
Social security costs	66,148	75,344
Other pension costs	72,411	55,627
	<u>959,179</u>	<u>1,080,827</u>

The average number of employees (including directors) during the year was 29 (2017 – 27).

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

6 Directors' remuneration	2018	2017
	£	£
Directors' emoluments	158,828	137,350

There were no directors in the company's defined benefit pension scheme during the year (2017 - None).

Emoluments represent amounts paid to 1 director (2017 - 1). Emoluments disclosed for 2018 were paid by the parent company but related to services carried out by the director in relation to the business of Keeling and Walker Limited.

The remaining directors are remunerated by the parent company and it is not practicable to allocate their remuneration across individual subsidiary entities.

7 Income from other fixed asset investments	2018	2017
	£	£
Income from subsidiary undertaking	43,981	26,657

8 Interest payable and similar charges	2018	2017
	£	£
Bank loans and overdrafts	4,773	9,315
Loans and advances from group companies	137,577	129,286
	142,350	138,601

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

9 Taxation on profit on ordinary activities

	2018 £	2017 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	207,670	243,746
<i>Deferred tax</i>		
Origination and reversal of timing differences	(596)	13,706
	<u>207,074</u>	<u>257,452</u>
Taxation on profit on ordinary activities	<u>207,074</u>	<u>257,452</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,287,864	1,479,891
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	244,694	284,775
Effect of:		
Expenses not deductible for tax purposes	2,801	2,742
Non-taxable income	(8,356)	(5,131)
Research and development tax allowance	(36,937)	(37,644)
Other differences	5,468	12,710
	<u>207,670</u>	<u>257,452</u>
Taxation on profit on ordinary activities	<u>207,670</u>	<u>257,452</u>

Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% on 1 April 2017 and will reduce to 17% from 1 April 2020. This will reduce the company's future tax charge accordingly.

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

10 Dividends

	2018 £	2017 £
Ordinary shares		
Prior year final dividend of £244.49 (2017 - £158.94) per share	1,222,442	794,693

11 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost or deemed cost</i>				
At 1 January 2018	1,800,213	2,327,156	116,583	4,243,952
Additions	-	212,356	8,992	221,348
Disposals	-	-	-	-
At 31 December 2018	1,800,213	2,539,514	125,574	4,465,300
<i>Depreciation</i>				
At 1 January 2018	75,649	1,370,882	80,620	1,527,151
Provision for year	32,798	176,557	11,865	221,220
Disposals	-	-	-	-
At 31 December 2018	108,447	1,547,439	92,485	1,748,371
<i>Net book value</i>				
At 31 December 2018	1,691,765	992,075	33,089	2,716,929
At 31 December 2017	1,724,564	956,274	35,963	2,716,801

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

12 Fixed asset investments

	2018 £	2017 £
Cost	347,241	347,241

The company owns 100% of the ordinary share capital of Thermox Performance Materials GmbH, a company incorporated in Germany whose principal activity is the sale of tin oxide products.

13 Stocks

	2018 £	2017 £
Raw materials and consumables	1,927,496	1,191,963
Work in progress	71,444	13,401
Finished goods and goods for resale	631,119	1,167,659
Goods for resale	2,630,059	2,373,023

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

No impairment loss (2017 - £Nil) was recognised in cost of sales against stocks deemed to be slow moving or obsolete.

14 Debtors

	2018 £	2017 £
Trade debtors	999,683	1,643,265
Amounts owed by parent undertaking	366,221	880,387
Derivative financial instruments (note 17)	37,445	28,740
Other debtors and prepayments	179,097	154,601
	1,582,446	2,706,993

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

No charge was recognised in the profit or loss for the period in respect of bad and doubtful trade debtors (2017 - £Nil).

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdraft	197,401	198,448
Trade creditors	563,006	513,564
Amounts owed to group undertakings	1,543,184	2,372,781
Corporation tax	92,670	113,746
Derivative financial instruments (note 17)	17,019	2,640
Other creditors	169,646	169,327
Accruals and deferred income	379,033	409,875
	<u>2,961,959</u>	<u>3,780,381</u>

The company has access to group loan and overdraft facilities available through its parent Amalgamated Metal Corporation Plc. The bank overdraft is part of the group banking facility and is not secured against any individual assets of the company.

The company received a capital grant of £158,888 from the Staffordshire Chamber of Commerce to assist with the funding of the freehold property development. The grant has been accounted for under the accruals model with income being recognised on a systematic basis over the useful life of the property, with the liability included within other creditors.

The grant includes a performance condition requiring the company to create an additional number of jobs over a five year period. The directors have assessed progress against this performance condition and are confident that the performance condition will be achieved.

16 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	1,574,803	1,481,481

The long-term loan facility has been made available by the parent company.

The loan is interest bearing and attracts interest at a margin of 2% over the underlying cost of funds to the group treasury facility.

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

17 Financial instruments

	2018 £	2017 £
Financial assets		
Derivative financial instruments at fair value through profit and loss	37,445	28,740
	<u> </u>	<u> </u>
Financial liabilities		
Derivative financial instruments at fair value through profit and loss	17,019	2,640
	<u> </u>	<u> </u>

Derivative financial instruments not designated as hedges comprise currency and metals forward contracts. Fair value is determined by reference to quoted prices and exchange rates in active metal and currency markets.

Exemption from disclosing amounts held at amortised cost has been taken as outlined in accounting policies.

18 Provisions

	Deferred taxation £
At 1 January 2018	161,102
Charged to profit and loss	(596)
	<u> </u>
At 31 December 2018	160,506
	<u> </u>
<i>Deferred taxation</i>	
	2018 £
	2017 £
Accelerated capital allowances	160,506
	161,102
	<u> </u>
	<u> </u>

19 Share capital

	2018 £	2017 £
<i>Allotted, called up and fully paid</i>		
5,000 ordinary shares of £1 each	5,000	5,000
25,000 deferred shares of £1 each	25,000	25,000
	<u> </u>	<u> </u>
	30,000	30,000
	<u> </u>	<u> </u>

Keeling & Walker Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

20 Pensions

The company participates in a defined benefit pension scheme operated by its UK holding company, Amalgamated Metal Corporation Plc. Contributions to the scheme are based on pension costs across the group as a whole and are based on professional and independent actuarial advice. There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities, therefore costs in respect of the defined benefit scheme represent contributions made by the company. The defined benefit scheme was closed to new joiners from 1st January 2003 and from that date new employees are offered a defined contribution Group Personal Pension Plan.

The company makes contributions to 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.

The pension charge amounted to £72,411 (2017 - £55,627). There were outstanding contributions of £6,031 (2017 - £4,834) at the year end.

21 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	Other 2018 £	Other 2017 £
Not later than 1 year	10,342	7,311
Later than 1 year and not later than 5 years	24,445	-
	<hr/>	<hr/>
Total commitments	34,787	7,311
	<hr/> <hr/>	<hr/> <hr/>

22 Capital commitments

	2018 £	2017 £
Contracted but not provided for	124,440	61,600
Authorised but not contracted yet	390,100	96,600
	<hr/>	<hr/>

Keeling & Walker Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (*continued*)

23 Related party disclosures

The company is a wholly owned subsidiary of Amalgamated Metal Corporation Plc and has taken exemption from disclosing transactions and balances with 100% subsidiaries included within the consolidated accounts of that company.

The company made purchases from one of the fellow subsidiaries in the AMC Group that is not 100% owned, Thailand Smelting and Refining Company Limited, to the value of £469,072 (2017 - £383,552), sales of £4,922 (2017 - £Nil) and had amounts payable of £Nil (2017 - £243) and amounts owed of £Nil (2017 - £Nil) at the year-end.

Key management personnel are the directors of the company and certain departmental managers. The total compensation paid by the company to key management personnel for services provided to the company was £330,879 (2017 - £315,720).

24 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Amalgamated Metal Corporation Plc. The company's ultimate parent undertaking 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 from Companies House.

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: 55 Bishopsgate, London, EC2N 3AH.