Company Registration No. 04653042 (England and Wales)

AMC DIAMONDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

AMC DIAMONDS LIMITED

COMPANY INFORMATION

Director	Mr D Parnas
Company number	04653042
Registered office	Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
Auditor	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
Business address	London Diamond Bourse 100 Hatton Garden Suite 129 London EC1N 8NX

AMC DIAMONDS LIMITED

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AMC DIAMONDS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents the strategic report and financial statements for the year ended 31 December 2016.

Review of the business

The results for the year and the financial position of the company at the year end are as shown in the annexed financial statements and are considered satisfactory by the director.

In terms of performance, 2016 was again a disappointing year despite an increase in revenue. The revenue has increased compared to the previous year by 13.5% and the cost of sales have gone up by 12.9%. The gross profit margin has increased to 1.31% from that achieved in the previous year of 0.77%.

However, the net loss before tax has increased to £110,663 from the previous year loss before tax of £78,689. There has been considerable movements in exchange rates. The movement in exchange rates can be contributed to the fact that part-way through the year, UK announced its intention to exit from the European Union which caused fluctuations with all major currencies.

Principal risks and uncertainties

The Company is exposed to uncertainty in the level of consumer demand for luxury jewellery. The company is also exposed to fluctuations in the market price of cut diamonds, which affect its ability to buy and resell at prices acceptable to the UK consumer. Management have responded to this by negotiating competitive prices with suppliers, and by developing enduring relationships with customers.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cashflow risk and liquidity risk.

The company's principal financial instruments comprise trade payables and bank overdrafts and financial assets such as trade receivables, cash and short-term deposits which arise directly from its operations. The director reviews and implements policies for managing each of these risks as summarised below:

Credit risk

The company's principal financial assets are bank balances and cash, and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event.

The company performs ongoing credit evaluations of its customers and to date has not experienced any material losses.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Cashflow risk

The company activities expose it primarily to the financial risks of change in foreign currency exchange rates, however, hedging strategies are employed to manage this.

Liquidity risk

Liquidity risk arises in relation to the company's management of working capital and the risk that the company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and on-going working capital requirements are regularly reviewed by the director.

Capital risk management

The primary objective of the company's capital management policy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

Foreign currency exposure
The company is subject to foreign exchange risk as it makes sales to and purchases in foreign currencies. The director regularly monitors its foreign exchange risk and attempts to limit such risk by taking out forward contracts.

Fair values of financial instruments
The carrying amounts of cash and cash equivalents, long term deposits, trade and other receivables and trade and other payables approximate their fair value.

Key performances indicators

	2016 £	2015 £
Revenue	3,170,193	2,792,750
Gross profit	41,402	21,499
Loss before income tax	(110,663)	(78,689)

Going concern basis

These financial statements are not prepared on the going concern basis. The company ceased to trade on 30 June 2017.

On behalf of the board

....
Mr D Parnas
Director
28 JUL 2017

AMC DIAMONDS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company continued to be that of the wholesale of polished diamonds and jewellery.

Results and dividends
The results for the year are set out on page 7.

No dividends were paid. The director does not recommend payment of a final dividend.

Director
The Director who served throughout the year, except as noted, was as follows:

Mr D Pamas

Auditor
The auditor, RDP Newmans LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities
The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. He is 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.

AMC DIAMONDS LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor
At the date of approval of this annual report the director confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

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Mr D Parnas
Director
28 JUL 2017

AMC DIAMONDS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMC DIAMONDS LIMITED

We have audited the financial statements of AMC Diamonds Limited for the year ended 31 December 2016 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of director and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board's Ethical Standards for Auditors.

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

Basis of disclaimer of opinion on financial statements
The audit evidence available to us was limited because an inventory count was not undertaken at the year end and the inventories have not been valued by an independent expert. In consequence, we are unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of inventories appearing in the balance sheet at £726,817. There were no other satisfactory audit procedures that we could adopt to obtain sufficient evidence regarding the existence and valuation of inventories. Accordingly, we have not been able to obtain sufficient appropriate audit evidence to provide a basis to form an audit opinion. Any adjustments to the inventories value may have a consequential significant effect on the loss for the year and net assets at 31 December 2016.

Disclaimer of opinion on the financial statements
Due to the significance of the matter described in the Basis of disclaimer of opinion on financial statements paragraph to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

In forming our opinion, we have considered the adequacy of the disclosures made in note 1.2 of the financial statements concerning the uncertainty as to the continuation of support from creditors, the director and the parent company. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006
Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Lyndon Perez FCA (Senior Statutory Auditor)
for and on behalf of RDP Newmans LLP

01 AUG 2017

Chartered Accountants
Statutory Auditor

Lynwood House
373-375 Station Road
Harrow
Middlesex
HA1 2AW

AMC DIAMONDS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Revenue	3	3,170,193	2,792,750
Cost of sales		(3,128,791)	(2,771,251)
Gross profit		41,402	21,499
Administrative expenses		(152,090)	(100,228)
Operating loss	4	(110,688)	(78,729)
Investment revenues	6	25	40
Loss before taxation		(110,663)	(78,689)
Income tax (expense)/income	7	(21,957)	17,725
Loss and total comprehensive income for the year	15	(132,620)	(60,964)

There are no recognised gains and losses other than those passing through the income statement.

AMC DIAMONDS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	£	£
Loss for the year	(132,620)	(60,964)
Other comprehensive income:	-	-
Total comprehensive income for the year	(132,620)	(60,964)

AMC DIAMONDS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Non-current assets			
Property, plant and equipment	8	697	225
Deferred tax asset	13	-	21,957
		697	22,182
Current assets			
Inventories	9	726,817	1,013,514
Trade and other receivables	10	615,960	425,449
Cash and cash equivalents		92,215	181,647
		1,434,992	1,620,610
Total assets		1,435,689	1,642,792
Current liabilities			
Trade and other payables	12	1,539,920	1,614,403
Net current assets/(liabilities)		(104,928)	6,207
Total liabilities		1,539,920	1,614,403
Net assets/(liabilities)		(104,231)	28,389
Equity			
Called up share capital	14	1,000	1,000
Retained earnings	15	(105,231)	27,389
Total equity		(104,231)	28,389

The financial statements were approved and signed by the director and authorised for issue on 28 JUL 2017

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Mr D Parnas
Director

Company Registration No. 04653042

AMC DIAMONDS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2015	1,000	88,353	89,353
Loss for the year	-	(60,964)	(60,964)
Total comprehensive loss for the year	-	(60,964)	(60,964)
Balance at 31 December 2015	1,000	27,389	28,389
Loss for the year	-	(132,620)	(132,620)
Total comprehensive loss for the year	-	(132,620)	(132,620)
Balance at 31 December 2016	1,000	(105,231)	(104,231)

AMC DIAMONDS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(88,660)		35,754
Net cash (outflow)/inflow from operating activities			(88,660)		35,754
Investing activities					
Purchase of property, plant and equipment		(797)		-	
Interest received		25		40	
Net cash (used in)/generated from investing activities			(772)		40
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(89,432)		35,794
Cash and cash equivalents at beginning of year			181,647		145,853
Cash and cash equivalents at end of year			92,215		181,647

1 Accounting policies

Company information
AMC Diamonds Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2AW. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual accounts. The principal activity of the Company is described in the Directors' Report.

1.1 Accounting convention
The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below.

1.2 Going concern
These financial statements are not prepared on the going concern basis. The company ceased to trade on 30 June 2017.

1.3 Revenue
Revenue is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of discount and VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Property, plant and equipment
Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	25% reducing balance
Computer equipment	33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible and intangible assets
At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

1 Accounting policies **(Continued)**

Loans and receivables

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and present value of estimated future cash flows discounted at the effective rate computed at initial recognition.

Loans and receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and bank balances and cash) are measured at amortised cost using effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short- term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant difficulty of the issuer or counterparty; or
- breach of contract, such as a default or deliquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1 Accounting policies **(Continued)**

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, in the future.

Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future which the underlying timing differences can be deducted.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

The financial statements of the company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of the company are expressed in Sterling, which is the functional currency for the company.

Accordingly monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date.

Transaction in foreign currencies are recorded at the rates ruling at the dates of the transactions.

Exchange differences are recognised in the profit and loss in the period in which they arise.

1 Accounting policies (Continued)

1.16 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or forward commitments associated with commodity sales.

1.17 General Information

AMC Diamonds Limited (the Company) is a limited company incorporated in England and Wales.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

3 Revenue

An analysis of the company's revenue is as follows:

	2016	2015
	£	£
Turnover		
UK	876,975	873,136
EC	133,625	826,433
Rest of the world	2,159,593	1,093,181
	3,170,193	2,792,750
Other significant revenue		
Interest income	25	40

4 Operating loss

	2016	2015
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	113,587	65,816
Fees payable to the company's auditor for the audit of the company's financial statements	7,350	7,000
Depreciation of property, plant and equipment	325	85
(Profit)/loss on disposal of property, plant and equipment	-	758
Cost of inventories recognised as an expense	3,128,791	2,771,251

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015: 2).

	2016	2015
	Number	Number
Director	1	1
Management	1	1
	2	2

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	6,468	6,706

6 Investment income

	2016	2015
	£	£
Interest income		
Bank deposits	25	40

Total interest income for financial assets that are not a fair value through profit or loss is £25 (2015 - £40).

7 Income tax expense

	2016	2015
	£	£
Deferred tax		
Origination and reversal of temporary differences	21,957	(17,725)

7 Income tax expense **(Continued)**

The charge for the year can be reconciled to the loss per the income statement as follows:

	2016	2015
	£	£
Loss before taxation	(110,663)	(78,689)
Expected tax charge/(credit) based on a corporation tax rate of 20.00%	(22,133)	(15,738)
Expenses not deductible in determining taxable profit	81	225
Change in unrecognised deferred tax assets	-	45
Adjustment in respect of prior years	-	(2,257)
Permanent capital allowances in excess of depreciation	(159)	-
Depreciation on assets not qualifying for tax allowances	65	-
Deferred tax adjustment	44,103	-
Tax charge/(credit) for the year	21,957	(17,725)

8 Property, plant and equipment

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2015	9,533	2,103	11,636
Disposals	(5,837)	-	(5,837)
At 31 December 2015	3,696	2,103	5,799
Additions	-	797	797
At 31 December 2016	3,696	2,900	6,596
Accumulated depreciation and impairment			
At 1 January 2015	8,559	2,009	10,568
Charge for the year	54	31	85
Eliminated on disposal	(5,079)	-	(5,079)
At 31 December 2015	3,534	2,040	5,574
Charge for the year	41	284	325
At 31 December 2016	3,575	2,324	5,899
Carrying amount			
At 31 December 2016	121	576	697
At 31 December 2015	162	63	225
At 31 December 2014	974	94	1,068

9 Inventories

	2016	2015
	£	£
Finished goods	726,817	1,013,514

10 Trade and other receivables

	2016	2015
	£	£
Trade receivables	609,374	418,079
Provision for bad and doubtful debts	-	(1,165)
	609,374	416,914
Other receivables	1,273	3,320
Prepayments	5,313	5,215
	615,960	425,449

11 Trade receivables - credit risk

Fair value of trade receivables

The director considers that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

Movement in the allowances for doubtful debts	2016	2015
	£	£
Balance at 1 January 2016 and at 31 December 2016	-	1,165

12 Trade and other payables

	2016	2015
	£	£
Trade payables	1,465,212	1,537,662
Accruals	9,120	8,770
Social security and other taxation	65,588	67,971
	1,539,920	1,614,403

The Director considers that the carrying value of trade and other payables is equivalent to their fair value.

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs	Tax losses	Total
	£	£	£
Deferred tax asset at 1 January 2015	(4,232)	-	(4,232)
Deferred tax movements in prior year			
Credit to profit or loss	4,277	(22,002)	(17,725)
Deferred tax (asset)/liability at 1 January 2016	45	(22,002)	(21,957)
Deferred tax movements in current year			
Credit to profit or loss	(45)	22,002	21,957
Deferred tax (asset)/liability at 31 December 2016	-	-	-

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2016	2015
	£	£
Tax losses	-	(21,957)

14 Share capital

	2016	2015
	£	£
Ordinary share capital		
Authorised		
490 Ordinary A shares of £1 each	490	490
510 Ordinary B shares of £1 each	510	510
	1,000	1,000
Issued and fully paid		
490 Ordinary A shares of £1 each	490	490
510 Ordinary B shares of £1 each	510	510
	1,000	1,000

All categories of shares rank pari passu in all respects, save that the directors are empowered to vote and declare dividends to any one or more of the share categories separately.

15 Retained earnings

	2016	2015
	£	£
At 1 January 2016	27,389	88,353
Loss for the year	(132,620)	(60,964)
At 31 December 2016	(105,231)	27,389

16 Operating lease commitments

Lessee
Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2016	2015
	£	£
Minimum lease payments under operating leases	9,681	8,364

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	7,000	7,000
Between two and five years	-	7,000
	7,000	14,000

17 Capital risk management

The company is not subject to any externally imposed capital requirements.

18 Events after the reporting date

The company ceased to trade on 30 June 2017.

19 Related party transactions

AMC Belgium NV and AMC Diamonds Ltd are related by virtue of common control.

Included within trade debtors is an amount of £404,421 (2015: £224,100) due by AMC Belgium NV. During the year sales of £2,322,094 (2015: £1,909,646) were made to AMC Belgium NV.

Included within trade creditors is a amount of £1,463,606 (2015: £1,489,980) due from AMC Belgium NV. During the year purchases of £3,008,366 (2015: £3,195,573) were made from AMC Belgium NV.

20 Controlling party

The parent company of AMC Diamonds Limited is P.C. Investments S.A.-SPF registered in Luxembourg.

The ultimate controlling interest in the company is held by AMC Finance SA who hold 100% of the shareholdings in the company. The group accounts can be obtained from the following address: 9B, Boulevard Prince Henri, L - 1724 Luxembourg, Luxembourg

21 Cash generated from operations

	2016 £	2015 £
Loss for the year after tax	(132,620)	(60,964)
Adjustments for:		
Taxation charged/(credited)	21,957	(17,725)
Investment income	(25)	(40)
(Gain)/loss on disposal of property, plant and equipment	-	758
Depreciation and impairment of property, plant and equipment	325	85
Movements in working capital:		
Decrease/(increase) in inventories	286,697	(399,401)
(Increase)/decrease in trade and other receivables	(190,511)	391,592
(Decrease)/increase in trade and other payables	(74,483)	121,449
Cash (absorbed by)/generated from operations	(88,660)	35,754