

Steel Supply Company (Western) Limited

**Directors' report and financial
statements**

Registered number 0486993

31 March 2008

TUESDAY



AW0085VF

A61

23/12/2008

406

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities	2
Profit and loss account	3
Balance sheet	4
Notes	6

Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2008.

Principal activities

The company is engaged in property investment. In addition it provides management services to its subsidiaries. The principal activities of the company's major subsidiaries are the provision of bulk handling services and the provision of distribution and delivery services.

Business review

The results of the company for the year are shown on page 3.

Future developments

These activities are expected to continue for the foreseeable future.

Dividend

The directors do not recommend payment of a dividend (2007: £nil).

Directors and directors' interests

The directors who served during the year were:

R S R Jones
I A Jones
A R Jones

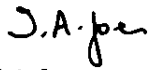
The interests of the directors in the share capital of the company were as follows:

	£1 ordinary shares	
	2008	2007
R S R Jones	111,213	111,213
A R Jones	55,272	55,272

Charitable contributions

The company made charitable contributions during the year amounting to £628 (2007: £735).

By order of the board


I A Jones
Secretary

10 St James Crescent
Uplands
Swansea

24 November 2008

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 March 2008

	<i>Note</i>	2008 £	2007 £
Turnover	<i>1</i>	299,852	291,272
Cost of sales		(61,048)	(56,542)
Gross profit		238,804	234,730
Administrative expenses		(381,483)	(373,676)
Other operating income		112,500	1,079,140
Operating (loss)/profit		(30,179)	940,194
Interest receivable and similar income	<i>2</i>	135	1,489
Interest payable and similar charges	<i>3</i>	(24,579)	(21,557)
(Loss)/profit on ordinary activities before taxation	<i>4-6</i>	(54,623)	920,126
Tax on (loss)/profit on ordinary activities	<i>7</i>	(13,572)	(23)
Retained (loss)/profit for the financial year	<i>17</i>	(68,195)	920,103

The above results represent the company's total recognised gains and losses in both financial years.

Balance sheet
at 31 March 2008

	<i>Note</i>	2008	2007
		£	£
Fixed assets			
Tangible assets	8	1,637,215	1,594,724
Investments	9	15,695	15,695
		<u>1,652,910</u>	<u>1,610,419</u>
Current assets			
Debtors	10	252,997	467,531
Investments	12	4,423	4,423
Cash at bank and in hand		698	687
		<u>258,118</u>	<u>472,641</u>
Creditors: amounts falling due within one year	13	<u>(242,631)</u>	<u>(405,524)</u>
Net current assets/(liabilities)		<u>15,487</u>	<u>67,117</u>
Total assets less current liabilities		<u>1,668,397</u>	<u>1,677,536</u>
Creditors: amounts falling due after more than one year	14	<u>(127,249)</u>	<u>(68,193)</u>
Net assets		<u>1,541,148</u>	<u>1,609,343</u>
Capital and reserves			
Called up share capital	16	221,757	221,757
Capital redemption reserve	17	415,243	415,243
Profit and loss account	17	904,148	972,343
Shareholders' funds	18	<u>1,541,148</u>	<u>1,609,343</u>

Balance sheet *(continued)*

Statement by the directors under Section 249B Companies Act 1985 for the year ended 31 March 2008

In approving these financial statements as directors of the company we hereby confirm:

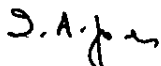
(a) that the company was entitled to exemption under Section 249A(1) of the Companies Act 1985 from the requirement to have its accounts for the year ended 31 March 2008 audited;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) of the Companies Act 1985 requesting that an audit be conducted for the year ended 31 March 2008;

(c) that we acknowledge our responsibilities for;

- (1) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the provisions of that Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board of directors on 24 November 2008 and were signed on its behalf by:


I A Jones
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996), the company is exempt from the requirement to prepare a cash flow statement as it is entitled to the filing exemptions available to small companies under Sections 246 to 249 Companies Act 1985.

Consolidation

The company, being the parent of a small group, is exempt by virtue of section 248 Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold wharves, buildings and fixed plant	-	5-20 years
Motor vehicles	-	4 years
Computer equipment	-	4 years
Other assets	-	10 years

No depreciation is provided on freehold land.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 (as amended):

- investment properties are revalued annually at open market values. Surpluses and deficits arising are taken to the revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year;
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Notes (continued)

I Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Finance leases and similar hire purchase contracts

Where the company enters into a lease or similar hire purchase contract which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. In the case of hire purchase contracts which have the characteristics of a finance lease, the asset is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rentals charged to the profit and loss account on a straight line basis over the lives of the leases.

Pension costs

The company makes payments to defined contribution schemes for eligible staff, all of which are money purchase plans, which are charged to the profit and loss account as they become due.

Notes (continued)

2 Interest receivable and similar income

	2008 £	2007 £
Bank interest	-	1,285
Income from listed investments	135	204
	<u>135</u>	<u>1,489</u>

3 Interest payable and similar charges

	2008 £	2007 £
Bank loan interest	14,260	14,694
Bank overdraft interest	7,322	3,957
Interest on hire purchase contracts	2,997	2,906
	<u>24,579</u>	<u>21,557</u>

4 (Loss)/profit on ordinary activities before taxation

	2008 £	2007 £
<i>(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation on owned assets	58,725	60,608
Depreciation on assets under hire purchase contracts	19,934	15,604
Profit on disposal of fixed assets	(2,500)	(2,500)
	<u></u>	<u></u>

5 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
Management	3	3
Administrative	2	2
	<u>5</u>	<u>5</u>

Notes (continued)

5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	253,842	237,541
Social security costs	28,833	26,686
Other pension costs	4,968	4,950
	<u>287,643</u>	<u>269,177</u>

6 Remuneration of directors

	2008 £	2007 £
Directors' remuneration	286,170	264,162
Contributions to pension schemes	4,500	4,500
	<u>290,670</u>	<u>268,662</u>

Retirement benefits are accruing to 2 directors (2007: 2) under money purchase schemes. The remuneration of the highest paid director was £219,491 (2007: £205,509) and the contributions paid into his pension scheme amounted to £3,000 (2007: £3,000).

7 Taxation

Analysis of tax charge in the period:

	2008 £	2007 £
Current tax	-	-
Deferred tax		
Origination/reversal of timing differences	13,572	23
	<u>13,572</u>	<u>23</u>
Tax on (loss)/profit on ordinary activities	<u>13,572</u>	<u>23</u>

Notes (continued)

7 Taxation (continued)

The current tax charge for the period is higher (2007: lower) than the small companies rate of corporation tax in the UK of 20% (2007: 19%). The differences are explained below.

	2008 £	2007 £
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(54,623)	920,126
Current tax at 20% (2007: 19%)	(10,925)	174,824
Effects of:		
Expenses not deductible for tax purposes	1,873	842
Depreciation for period in excess of capital allowances	(10,501)	(325)
Non-taxable income	(20,027)	(202,225)
Surrender of group relief free of charge	24,622	2,346
Management expenses carried forward on which deferred tax not provided	14,958	24,538
Total current tax charge (see above)	-	-

8 Tangible fixed assets

	Freehold land	Investment properties	Freehold wharves, buildings and fixed plant	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£	£	£	£
Cost						
At beginning of year	65,550	1,307,519	1,155,671	120,502	23,713	2,672,955
Additions	-	-	-	121,150	-	121,150
Disposals	-	-	-	(14,000)	-	(14,000)
At end of year	65,550	1,307,519	1,155,671	227,652	23,713	2,780,105
Depreciation						
At beginning of year	-	-	975,675	81,315	21,241	1,078,231
Charge for the year	-	-	56,747	20,952	960	78,659
On disposals	-	-	-	(14,000)	-	(14,000)
At end of year	-	-	1,032,422	88,267	22,201	1,142,890
Net book value						
At 31 March 2008	65,550	1,307,519	123,249	139,385	1,512	1,637,215
At 31 March 2007	65,550	1,307,519	179,996	39,187	2,472	1,594,724

Notes (continued)

9 Investments (held as fixed assets)

	Shares in group undertakings £	Other investments £	Total £
Cost			
At beginning and end of year	276	15,693	15,969
Provisions			
At beginning and end of year	274	-	274
Net book value			
At 31 March 2008	2	15,693	15,695
At 31 March 2007	2	15,693	15,695

The undertakings in which the company's interest is equal to or more than 20% are as follows:

	Principal activity	Class and percentage of shares held Class % held
Subsidiary undertakings		
Steel Supply (Property) Limited	Dormant	Ordinary £1 shares 100
S J C Developments Limited	Dormant	Ordinary £1 shares 100
Neath Abbey Freight Services Limited	Bulk Handling	Ordinary £1 shares 100
Charterflow Limited	Dormant	Ordinary £1 shares 80
MC14 Limited	Dormant	Ordinary £1 shares 100
Move It Transport Limited	Distribution and delivery	Ordinary £1 shares 90

The following information is relevant to the material undertakings in which the company's interest was more than 20% in either the current or preceding financial year.

	2008 Capital and reserves at the year end £	Profit/(loss) for the year after taxation £	2007 Capital and reserves at the year end £	Profit/(loss) for the year after taxation £
Subsidiary undertakings				
Steel Supply (Property) Limited	(331,058)	-	(331,058)	-
S J C Developments Limited	2	-	2	27,329
Neath Abbey Freight Services Limited	21,932	107,617	14,315	28,437
Charterflow Limited	(29,201)	-	(29,201)	-
MC14 Limited	2	-	2	273,385
Move It Transport Limited	20,359	15,100	5,259	(19,808)

Notes (continued)

10 Debtors

	2008 £	2007 £
Trade debtors	76,884	86,115
Amounts owed by subsidiary undertakings	130,145	161,128
Other debtors	37,000	194,152
Prepayments and accrued income	8,968	12,564
Deferred taxation (see note 15)	-	13,572
	<u>252,997</u>	<u>467,531</u>

11 Transactions with directors

During the course of the year, there were the following transactions with directors:

	Amounts due to company	
	R S R Jones £	A R Jones £
Balance at beginning of year	179,691	7,064
Loan advances during the year	47,331	-
Repayments during the year	(211,941)	-
Balance at end of year	<u>15,081</u>	<u>7,064</u>

No interest was charged on the loans and the maximum amount outstanding during the year was £227,022 for R S R Jones and £7,064 for A R Jones.

12 Investments (held as current assets)

These comprise investments in listed companies. The market value of these listed investments at the year end was £4,158 (2007:£4,716).

13 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans	13,434	164,004
Bank overdraft	60,238	70,027
Amounts owed to subsidiary undertakings	4	4
Trade creditors	15,235	23,137
Other taxes and social security	25,756	35,163
Accruals and deferred income	98,309	94,743
Obligations under hire purchase contracts	29,655	18,446
	<u>242,631</u>	<u>405,524</u>

Notes (continued)

13 Creditors: amounts falling due within one year (continued)

The bank overdraft is secured by a fixed charge over the freehold property at 10 St James Crescent, Uplands, Swansea. The bank loans are secured by a charge over one of the investment properties.

14 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loans	45,118	58,509
Obligations under hire purchase contracts	82,131	9,684
	<u>127,249</u>	<u>68,193</u>

The bank loans are repayable as follows:

	2008 £	2007 £
Within one year	13,434	164,004
Between one and two years	14,663	13,558
Between two and five years	30,455	44,951
	<u>58,552</u>	<u>222,513</u>

Obligations under hire purchase contracts are repayable as follows:

	2008 £	2007 £
Within one year	29,655	18,446
Between one and two years	21,730	9,684
Between two and five years	60,401	-
	<u>111,786</u>	<u>28,130</u>

15 Deferred taxation

	£
At beginning of year	(13,572)
Charged to the profit and loss account in the year	13,572
	<u>-</u>
At end of year	<u>-</u>

Notes (continued)

15 Deferred taxation (continued)

The potential deferred taxation asset comprises tax at 20% (2007: 20%) as follows:

	2008		2007	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	5,570	-	(13,572)	-
Other timing differences	(2,433)	-	-	-
Tax losses	(3,137)	(130,996)	-	(121,609)
	<u>-</u>	<u>(130,996)</u>	<u>(13,572)</u>	<u>(121,609)</u>

The deferred tax asset relating to tax losses carried forward is unprovided because of uncertainty as to the extent of suitable taxable profits in the next few years.

16 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>221,757</u>	<u>221,757</u>

17 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At beginning of year	415,243	972,343	1,387,586
Loss for the financial year	-	(68,195)	(68,195)
At end of year	<u>415,243</u>	<u>904,148</u>	<u>1,319,391</u>

18 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
(Loss)/profit for the financial year	<u>(68,195)</u>	<u>920,103</u>
Movement in shareholders' funds	<u>(68,195)</u>	<u>920,103</u>
Opening shareholders' funds	<u>1,609,343</u>	<u>689,240</u>
Closing shareholders' funds	<u>1,541,148</u>	<u>1,609,343</u>

Notes (continued)

19 Pensions

The company operates defined contribution pension schemes which are administered by trustees and are independent of the company's finances. The pension costs charged in the year amounted to £4,968 (2007: £4,950).

20 Related party transactions

The directors consider the material transactions undertaken by the company during the year with parties related to the company were as follows:

Name of party	Relationship	Type of transaction	Transaction amount	
			Year to 31 March 2008 £	Year to 31 March 2007 £
S J C Developments Limited	Subsidiary undertaking	Management time recharge	-	7,500
S J C Developments Limited	Subsidiary undertaking	Net cash transfers	-	78,506
S J C Developments Limited	Subsidiary undertaking	Dividend receivable	-	766,388
S J C Developments Limited	Subsidiary undertaking	Property transfers	-	(636,262)
MC14 Limited	Subsidiary undertaking	Dividend receivable	-	297,752
MC14 Limited	Subsidiary undertaking	Net cash receipts from related party	-	(295,835)
Move It Transport Limited	Subsidiary undertaking	Loan granted/(repaid)	(22,651)	57,459
Neath Abbey Freight Services Limited	Subsidiary undertaking	Payments on behalf of the related party	60,593	56,145
Neath Abbey Freight Services Limited	Subsidiary undertaking	Net cash receipts from related party	(180,675)	(71,750)
Neath Abbey Freight Services Limited	Subsidiary undertaking	Management time recharge	11,750	5,000
Neath Abbey Freight Services Limited	Subsidiary undertaking	Dividend receivable	100,000	-

In addition, the company provides certain assets and finance, management, administration and payroll services to its subsidiaries for which no charges are levied.

Notes (continued)

20 Related party transactions (continued)

The amounts due to and from the company's related parties at the year end and the related provisions are:

Name of party	Relationship	Amount due (to)/from related party at 31 March 2008		Amount due (to)/from related party at 31 March 2007	
		Gross balance £	Provision £	Gross balance £	Provision £
Steel Supply (Property) Limited	Subsidiary undertaking	331,058	(331,058)	331,058	(331,058)
S J C Developments Limited	Subsidiary undertaking	(2)	-	(2)	-
Neath Abbey Freight Services Limited	Subsidiary undertaking	16,437	-	24,769	-
Charterflow Limited	Subsidiary undertaking	29,201	(29,201)	29,201	(29,201)
MCI4 Limited	Subsidiary undertaking	(2)	-	(2)	-
Move It Transport Limited	Subsidiary undertaking	113,708	-	136,359	-

Details of transactions and balances with directors are shown in note 11.

Other than those shown above, there were no provisions at 31 March 2008 in respect of amounts due to or from related parties and no amounts were written off in the year in respect of amounts due to or from related parties, other than those disclosed above.

21 Immediate and ultimate controlling party

The company's immediate and ultimate controlling party is R S R Jones, a director and shareholder of the company.