Steel Supply Company (Western) Limited

Directors' report and financial statements

Registered number 0486993

31 March 2013



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Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2013

Principal activities

The company is engaged in property investment In addition it provides management services to its subsidiaries The principal activity of the company's major subsidiary is the provision of bulk handling services

Business review

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

Dividend

The directors recommend a dividend of £150,000 *(2012 £150,000)*

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	
	2013	2012
R S R Jones	**111,213**	111,213
A R Jones	**55,272**	55,272

Directors' report *(continued)*

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 UK Accounting Standards and applicable law (UK 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 the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a 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 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

By order of the board

I A Jones
Secretary

10 St James Crescent
Uplands
Swansea

31 May 2013

Profit and loss account

for the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	*1*	**311,894**	324,179
Cost of sales		**(44,535)**	(74,947)
Gross profit		**267,359**	249 232
Administrative expenses		**(222,072)**	(229 307)
Other operating income		**112,311**	109,876
Operating profit		**157,598**	129 801
Interest receivable and similar income	*2*	**-**	9
Interest payable and similar charges	*3*	**(11,548)**	(15 845)
Profit on ordinary activities before taxation	*4-6*	**146,050**	113,965
Tax on profit on ordinary activities	*7*	**(29,488)**	40,249
Profit on ordinary activities after taxation		**116,562**	154 214
Dividends		**(150,000)**	(150,000)
(Loss)/profit for the financial year	*16*	**(33,438)**	4,214

Turnover and operating profit relate entirely to continuing operations

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

Balance sheet

at 31 March 2013

	Note	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	8		**1,524,206**		1,554,874
Investments	9		**12,902**		12,902
			1,537,108		1 567,776
Current assets					
Debtors	10	**315,493**		321 815	
Cash at bank and in hand		**19,266**		25,347	
		334,759		347,162	
Creditors: amounts falling due within one year	12	**(259,432)**		(240,111)	
Net current assets			**75,327**		107 051
Total assets less current liabilities			**1,612,435**		1,674,827
Creditors amounts falling due after more than one year	13		**(112,400)**		(141,354)
Net assets			**1,500,035**		1 533 473
Capital and reserves					
Called up share capital	15		**221,757**		221 757
Capital redemption reserve	16		**415,243**		415 243
Profit and loss account	16		**863,035**		896,473
Shareholders' funds	17		**1,500,035**		1,533 473

Balance sheet *(continued)*

STATEMENT BY THE DIRECTORS UNDER SECTION 475(2) AND (3) OF THE COMPANIES ACT 2006

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

(a) that the company was entitled to exemption under section 477 of the Companies Act 2006 from the requirement to have its accounts for the year ended 31 March 2013 audited,

(b) that members have not required the company to obtain an audit of its accounts for the financial year in accordance with section 476 of that Act,

(c) that we acknowledge our responsibilities for

1) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006, and

2) preparing accounts 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 393 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company

These financial statements were approved by the board of directors on 31 May 2013 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

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement on the grounds of its size

Consolidation

The company, being the parent of a small group, is exempt by virtue of section 383 of the Companies Act 2006 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)*

1 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

	2013 £	2012 £
Other interest receivable	-	9

3 Interest payable and similar charges

	2013 £	2012 £
Bank loan interest	4,832	5,217
Bank charges	1,809	3,686
Interest charges on credit agreements	298	-
Interest on hire purchase contracts	4,609	6,942
	11,548	15,845

4 Profit on ordinary activities before taxation

	2013 £	2012 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation on owned assets	19,095	13,086
Depreciation on assets under hire purchase contracts	13,890	24,400

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 2013	2012
Management	3	3
Administrative	2	2
	5	5

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	2013 £	2012 £
Wages and salaries	**90,132**	90 692
Social security costs	**8,259**	8,069
Other pension costs	**4,500**	4,500
	102,891	103 261

6 Remuneration of directors

	2013 £	2012 £
Directors' remuneration	**108,751**	105,683
Contributions to pension schemes	**4,500**	4,500
	113,251	110,183

Retirement benefits are accruing to 2 directors *(2012 2)* under money purchase schemes The remuneration of the highest paid director was £65,963 *(2012 £64,859)* and the contributions paid into his pension scheme amounted to £1,500 *(2012 £1,500)*

7 Taxation

Analysis of tax charge/(credit) in the period:

	2013 £	2012 £
Current tax	**-**	-
Deferred tax		
Origination/reversal of timing differences	**29,488**	(40,249)
Tax on profit on ordinary activities	**29,488**	(40,249)

Notes *(continued)*

7 Taxation *(continued)*

The current tax charge for the period is lower *(2012 lower)* than the small companies rate of corporation tax in the UK of 20% *(2012 20%)* The differences are explained below

	2013 £	2012 £
Current tax reconciliation		
Profit on ordinary activities before tax	**146,050**	113,965
Current tax at 20 % (2012 20%)	**29,210**	22,793
Effects of.		
Expenses not deductible for tax purposes	**123**	844
Capital allowances in excess of depreciation	**2,668**	(2,482)
Unutilised charges on income	**156**	131
Utilisation of tax losses and other deductions	**(35,422)**	(25 363)
Other timing differences	**3,265**	4,077
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	1 164,921	296,701	26,781	2,861,472
Additions	-	-	-	-	2,317	2,317
Disposals	-	-	-	-	-	-
At end of year	65,550	1,307 519	1,164,921	296 701	29,098	2 863,789
Depreciation						
At beginning of year	-	-	1 144,799	138,969	22,830	1,306 598
Charge for the year	-	-	4,594	26 399	1,992	32 985
On disposals	-	-	-	-	-	-
At end of year	-	-	1 149 393	165,368	24,822	1.339,583
Net book value						
At 31 March 2013	**65,550**	**1,307,519**	**15,528**	**131,333**	**4,276**	**1,524,206**
At 31 March 2012	65,550	1,307.519	20,122	157,732	3,951	1,554,874

Notes *(continued)*

9 Investments (held as fixed assets)

	Shares in group undertakings	Other investments	Total
	£	£	£
Cost			
At beginning and end of year	182	12,900	13,082
Provisions			
At beginning and end of year	180	-	180
Net book value			
At 31 March 2013	**2**	**12,900**	**12,902**
At 31 March 2012	2	12,900	12,902

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
Neath Abbey Freight Services Limited	Bulk Handling	Ordinary £1 shares	100
Charterflow Limited	Dormant	Ordinary £1 shares	80

The following information is relevant to the material undertakings in which the company's interest was more than 20%

	2013		2012	
	Capital and reserves at the year end	Profit /(loss) for the year after taxation	Capital and reserves at the year end	Profit/(loss) for the year after taxation
	£	£	£	£
Subsidiary undertakings				
Steel Supply (Property) Limited	**(331,058)**	**-**	(331,058)	-
Neath Abbey Freight Services Limited	**25,606**	**(272)**	25,878	(10,011)
Charterflow Limited	**(29,201)**	**-**	(29,201)	-

10 Debtors

	2013	2012
	£	£
Trade debtors	**92,309**	33,222
Amounts owed by subsidiary undertakings	**40,015**	98 345
Other debtors	**163,035**	136,152
Deferred tax (see note 14)	**10,761**	40,249
Prepayments and accrued income	**9,373**	13,847
	315,493	321,815

Notes *(continued)*

11 Transactions with directors

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

	R S R Jones £
Balance at beginning of year due to company	90 488
Loan advances during the year	167,288
Repayments during the year	(150 000)
Balance at end of year due to company	**107,776**

No interest was charged on the loans and the maximum amount outstanding during the year was £121,956

12 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loan	**6,263**	5,953
Trade creditors	**19,005**	9,070
Other taxes and social security	**11,509**	27,230
Accruals and deferred income	**198,137**	153,905
Obligations under hire purchase contracts	**24,518**	43,953
	259,432	240,111

The bank loan is secured by a fixed and floating charge over the assets of the company

13 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Bank loan	**89,790**	96,176
Obligations under hire purchase contracts	**22,610**	45,178
	112,400	141,354

The bank loan is repayable as follows

	2013 £	2012 £
Within one year	**6,263**	5 953
Between one and two years	**6,582**	6,257
Between two and five years	**21,829**	20,749
Over five years	**61,379**	69 170
	96,053	102 129

Notes *(continued)*

13 Creditors: amounts falling due after more than one year *(continued)*

Obligations under hire purchase contracts are repayable as follows

	2013 £	2012 £
Within one year	**24,518**	43,953
Between one and two years	**22,610**	22,568
Between two and five years	**-**	22,610
	47,128	89 131

14 Deferred taxation

	£
At beginning of year	(40,249)
Charged to the profit and loss account in the year	29,488
At end of year	**(10,761)**

The potential deferred taxation asset comprises tax at 20% *(2012 20%)* as follows

	2013		2012	
	Provided £	**Unprovided £**	Provided £	Unprovided £
Accelerated capital allowances	**10,981**	**-**	13,649	-
Other timing differences	**(12,112)**	**-**	(4 000)	-
Losses and other deductions	**(9,630)**	**-**	(49,898)	-
	(10,761)	**-**	(40,249)	-

Notes *(continued)*

15 Called up share capital

	2013 £	2012 £
Authorised		
1,000,000 ordinary shares of £1 each	**1,000,000**	1,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**221,757**	221,757

16 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At beginning of year	415,243	896,473	1,311,716
Loss for the financial year	-	(33,438)	(33,438)
At end of year	**415,243**	**863,035**	**1,278,278**

17 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
(Loss)/profit for the financial year	**(33,438)**	4,214
Movement in shareholders' funds	**(33,438)**	4,214
Opening shareholders' funds	**1,533,473**	1,529,259
Closing shareholders' funds	**1,500,035**	1,533,473

18 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 £4,500 *(2012 £4,500)*

Notes *(continued)*

19 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 2013	Year to 31 March 2012
			£	£
Neath Abbey Freight Services Limited	Subsidiary undertaking	Payments on behalf of the related party	**61,689**	84,261
Neath Abbey Freight Services Limited	Subsidiary undertaking	Net cash receipts from related party	**(195,019)**	(123,637)
Neath Abbey Freight Services Limited	Subsidiary undertaking	Management time recharge	**75,000**	90,000

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

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 2013		Amount due (to)/from related party at 31 March 2012	
		Gross balance	**Provision**	Gross balance	Provision
		£	**£**	£	£
Steel Supply (Property) Limited	Subsidiary undertaking	**331,058**	**(331,058)**	331,058	(331,058)
Neath Abbey Freight Services Limited	Subsidiary undertaking	**40,015**	**-**	98,345	-
Charterflow Limited	Subsidiary undertaking	**29,201**	**(29,201)**	29,201	(29,201)

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

Other than those shown above, there were no provisions at 31 March 2013 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

20 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