

Steel Supply Company (Western) Limited

**Directors' report and financial
statements**

Registered number 0486993

31 March 2014



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Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2014.

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 (2013: £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	
	2014	2013
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

30 June 2014

Profit and loss account
for the year ended 31 March 2014

	<i>Note</i>	2014 £	2013 £
Turnover	<i>1</i>	294,227	311,894
Cost of sales		(45,983)	(44,535)
Gross profit		248,244	267,359
Administrative expenses		(213,185)	(222,072)
Other operating income		172,361	112,311
Operating profit		207,420	157,598
Interest payable and similar charges	<i>2</i>	(10,695)	(11,548)
Profit on ordinary activities before taxation	<i>3-5</i>	196,725	146,050
Tax on profit on ordinary activities	<i>6</i>	(27,248)	(29,488)
Profit on ordinary activities after taxation		169,477	116,562
Dividends		(150,000)	(150,000)
Profit/(loss) for the financial year	<i>15</i>	19,477	(33,438)

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 2014

	<i>Note</i>	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,572,490		1,524,206
Investments	8		12,902		12,902
			1,585,392		1,537,108
Current assets					
Debtors	9	288,039		315,493	
Cash at bank and in hand		6,793		19,266	
		294,832		334,759	
Creditors: amounts falling due within one year	11	(214,784)		(259,432)	
Net current assets			80,048		75,327
Total assets less current liabilities			1,665,440		1,612,435
Creditors: amounts falling due after more than one year	12		(129,441)		(112,400)
Provisions for liabilities and charges	13		(16,487)		-
Net assets			1,519,512		1,500,035
Capital and reserves					
Called up share capital	14		221,757		221,757
Capital redemption reserve	15		415,243		415,243
Profit and loss account	15		882,512		863,035
Shareholders' funds	16		1,519,512		1,500,035

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 2014 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 30 June 2014 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 payable and similar charges

	2014 £	2013 £
Bank loan interest	4,585	4,832
Bank charges	1,180	1,809
Interest charges on credit agreements	1,524	298
Interest on hire purchase contracts	3,406	4,609
	<u>10,695</u>	<u>11,548</u>

3 Profit on ordinary activities before taxation

	2014 £	2013 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation on owned assets	21,031	19,095
Depreciation on assets under hire purchase contracts	12,810	13,890
	<u>33,841</u>	<u>32,985</u>

4 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	
	2014	2013
Management	3	3
Administrative	2	2
	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	87,806	90,132
Social security costs	7,888	8,259
Other pension costs	4,500	4,500
	<u>100,194</u>	<u>102,891</u>

Notes (continued)

5 Remuneration of directors

	2014 £	2013 £
Directors' remuneration	104,587	108,751
Contributions to pension schemes	4,500	4,500
	<u>109,087</u>	<u>113,251</u>

Retirement benefits are accruing to 2 directors (2013: 2) under money purchase schemes. The remuneration of the highest paid director was £68,165 (2013: £65,963) and the contributions paid into his pension scheme amounted to £1,500 (2013: £1,500).

6 Taxation

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

	2014 £	2013 £
Current tax	-	-
Deferred tax		
Origination/reversal of timing differences	27,248	29,488
	<u>27,248</u>	<u>29,488</u>
Tax on profit on ordinary activities	27,248	29,488

The current tax charge for the period is lower (2013: lower) than the small companies rate of corporation tax in the UK of 20% (2013: 20%). The differences are explained below.

	2014 £	2013 £
Current tax reconciliation		
Profit on ordinary activities before tax	196,725	146,050
	<u>39,345</u>	<u>29,210</u>
Current tax at 20 % (2013: 20%)		
Effects of:		
Expenses not deductible for tax purposes	1,304	123
Capital allowances in excess of depreciation	(12,660)	2,668
Difference between accounting gain and taxable gain	(13,402)	-
Unutilised charges on income	-	156
Utilisation of tax losses and other deductions	(5,554)	(35,422)
Other timing differences	(9,033)	3,265
	<u>-</u>	<u>-</u>
Total current tax charge (see above)	-	-

Notes (continued)

7 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	29,098	2,863,789
Additions	-	-	-	65,000	17,125	82,125
Disposals	-	-	(27,000)	(11,800)	-	(38,800)
At end of year	65,550	1,307,519	1,137,921	349,901	46,223	2,907,114
Depreciation						
At beginning of year	-	-	1,149,393	165,368	24,822	1,339,583
Charge for the year	-	-	4,144	25,711	3,986	33,841
On disposals	-	-	(27,000)	(11,800)	-	(38,800)
At end of year	-	-	1,126,537	179,279	28,808	1,334,624
Net book value						
At 31 March 2014	65,550	1,307,519	11,384	170,622	17,415	1,572,490
At 31 March 2013	65,550	1,307,519	15,528	131,333	4,276	1,524,206

8 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 2014	2	12,900	12,902
At 31 March 2013	2	12,900	12,902

Notes (continued)

8 Investments (held as fixed assets) (continued)

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	% held
		Class	
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%.

	2014		2013	
	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	7,723	(17,883)	25,606	(272)
Charterflow Limited	(29,201)	-	(29,201)	-

9 Debtors

	2014	2013
	£	£
Trade debtors	56,997	92,309
Amounts owed by subsidiary undertakings	33,846	40,015
Other debtors	191,877	163,035
Deferred tax (see note 13)	-	10,761
Prepayments and accrued income	5,319	9,373
	288,039	315,493

Notes (continued)

10 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	107,776
Loan advances during the year	170,017
Repayments during the year	(150,000)
Balance at end of year due to company	127,793

No interest was charged on the loans and the maximum amount outstanding during the year was £133,673.

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank loan	6,588	6,263
Trade creditors	12,664	19,005
Other taxes and social security	6,959	11,509
Other creditors	2,952	-
Accruals and deferred income	142,102	198,137
Obligations under hire purchase contracts	43,519	24,518
	214,784	259,432

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

12 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Bank loan	83,089	89,790
Obligations under hire purchase contracts	46,352	22,610
	129,441	112,400

The bank loan is repayable as follows:

	2014 £	2013 £
Within one year	6,588	6,263
Between one and two years	6,924	6,582
Between two and five years	22,962	21,829
Over five years	53,203	61,379
	89,677	96,053

Notes *(continued)*

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

Obligations under hire purchase contracts are repayable as follows:

	2014 £	2013 £
Within one year	43,519	24,518
Between one and two years	21,216	22,610
Between two and five years	25,136	-
	<u>89,871</u>	<u>47,128</u>

13 Deferred taxation

	£
At beginning of year	(10,761)
Charged to the profit and loss account in the year	27,248
At end of year	<u>16,487</u>

The deferred taxation liability (2013: asset) comprises tax at 20% (2013: 20%) as follows:

	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	23,640	-	10,981	-
Other timing differences	(4,074)	-	(12,112)	-
Losses and other deductions	(3,079)	-	(9,630)	-
	<u>16,487</u>	<u>-</u>	<u>(10,761)</u>	<u>-</u>

Notes (continued)

14 Called up share capital

	2014 £	2013 £
<i>Authorised</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	221,757	221,757

15 Reserves

	Capital redemption reserve £	Profit and loss account £	Total £
At beginning of year	415,243	863,035	1,278,278
Profit for the financial year	-	19,477	19,477
At end of year	415,243	882,512	1,297,755

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(loss) for the financial year	19,477	(33,438)
Movement in shareholders' funds	19,477	(33,438)
Opening shareholders' funds	1,500,035	1,533,473
Closing shareholders' funds	1,519,512	1,500,035

17 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 (2013: £4,500).

Notes (continued)

18 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 2014 £	Year to 31 March 2013 £
Neath Abbey Freight Services Limited	Subsidiary undertaking	Payments on behalf of the related party	70,331	61,689
Neath Abbey Freight Services Limited	Subsidiary undertaking	Net cash receipts from related party	(136,500)	(195,019)
Neath Abbey Freight Services Limited	Subsidiary undertaking	Management time recharge	60,000	75,000

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 2014		Amount due (to)/from related party at 31 March 2013	
		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	33,846	-	40,015	-
Charterflow Limited	Subsidiary undertaking	29,201	(29,201)	29,201	(29,201)

Details of transactions and balances with directors are shown in note 10.

Other than those shown above, there were no provisions at 31 March 2014 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.

19 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.