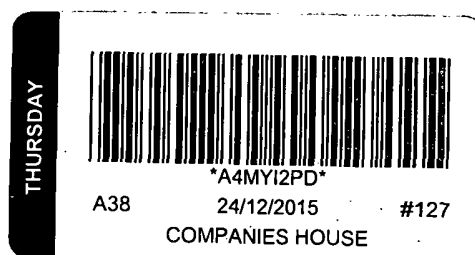


Steel Supply Company (Western) Limited

**Directors' report and financial
statements**

Registered number 0486993

31 March 2015



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Directors' report

The directors present their annual report and the financial statements for the year ended 31 March 2015.

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 (2014: £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	
	2015	2014
R S R Jones	111,213	111,213
A R Jones	55,272	55,272
	<u> </u>	<u> </u>

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

18 December 2015

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover	<i>1</i>	290,409	294,227
Cost of sales		(91,491)	(45,983)
Gross profit		198,918	248,244
Administrative expenses		(233,337)	(213,185)
Other operating income		44,888	172,361
Operating profit		10,469	207,420
Interest payable and similar charges	<i>2</i>	(16,598)	(10,695)
(Loss)/profit on ordinary activities before taxation	<i>3-5</i>	(6,129)	196,725
Tax on (loss)/profit on ordinary activities	<i>6</i>	(6,413)	(27,248)
(Loss)/profit on ordinary activities after taxation		(12,542)	169,477
Dividends		(150,000)	(150,000)
(Loss)/profit for the financial year	<i>15</i>	(162,542)	19,477

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 2015

	Note	£	2015	£	£	2014	£
Fixed assets							
Tangible assets	7		1,526,162			1,572,490	
Investments	8		2,902			12,902	
			<u>1,529,064</u>			<u>1,585,392</u>	
Current assets							
Debtors	9	267,724			288,039		
Cash at bank and in hand		18,250			6,793		
		<u>285,974</u>			<u>294,832</u>		
Creditors: amounts falling due within one year	11	(257,208)			(214,784)		
Net current assets			<u>28,766</u>			<u>80,048</u>	
Total assets less current liabilities			<u>1,557,830</u>			<u>1,665,440</u>	
Creditors: amounts falling due after more than one year	12		(186,714)			(129,441)	
Provisions for liabilities and charges	13		(14,146)			(16,487)	
Net assets			<u>1,356,970</u>			<u>1,519,512</u>	
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		719,970			882,512	
Shareholders' funds	16		<u>1,356,970</u>			<u>1,519,512</u>	

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 2015 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 18 December 2015 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

	2015 £	2014 £
Bank loan interest	7,671	4,585
Bank overdraft interest	5	-
Bank charges	2,421	1,180
Interest charges on credit agreements	1,088	1,524
Interest on hire purchase contracts	5,413	3,406
	<u>16,598</u>	<u>10,695</u>

3 Profit on ordinary activities before taxation

	2015 £	2014 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Depreciation on owned assets	30,497	21,031
Depreciation on assets under hire purchase contracts	14,870	12,810
	<u>45,367</u>	<u>33,841</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	
	2015	2014
Management	3	3
Administrative	2	2
	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	80,153	87,806
Social security costs	4,756	7,888
Other pension costs	4,500	4,500
	<u>89,409</u>	<u>100,194</u>

Notes (continued)

5 Remuneration of directors

	2015 £	2014 £
Directors' remuneration	101,379	104,587
Contributions to pension schemes	4,500	4,500
	<u>105,879</u>	<u>109,087</u>

Retirement benefits are accruing to 2 directors (2014: 2) under money purchase schemes. The remuneration of the highest paid director was £64,624 (2014: £68,165) and the contributions paid into his pension scheme amounted to £1,500 (2014: £1,500).

6 Taxation

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

	2015 £	2014 £
Current tax	8,754	-
Deferred tax		
Origination/reversal of timing differences	(2,341)	27,248
	<u>6,413</u>	<u>27,248</u>
Tax on (loss)/profit on ordinary activities		

The current tax charge for the period is higher (2014: lower) than the small companies rate of corporation tax in the UK of 20% (2014: 20%). The differences are explained below.

	2015 £	2014 £
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(6,129)	196,725
	<u>(1,226)</u>	<u>39,345</u>
Current tax at 20 % (2014: 20%)		
Effects of:		
Expenses not deductible for tax purposes	7,425	1,304
Capital allowances higher/lower than depreciation	6,964	(12,660)
Difference between accounting gain and taxable gain	-	(13,402)
Losses received without charge	(458)	-
Utilisation of tax losses and other deductions	(4,075)	(5,554)
Other timing differences	124	(9,033)
	<u>8,754</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	1,137,921	349,901	46,223	2,907,114
Additions	-	-	-	-	2,397	2,397
Disposals	-	-	(23,554)	-	(3,637)	(27,191)
At end of year	65,550	1,307,519	1,114,367	349,901	44,983	2,882,320
Depreciation						
At beginning of year	-	-	1,126,537	179,279	28,808	1,334,624
Charge for the year	-	-	3,156	36,824	5,387	45,367
On disposals	-	-	(20,196)	-	(3,637)	(23,833)
At end of year	-	-	1,109,497	216,103	30,558	1,356,158
Net book value						
At 31 March 2015	65,550	1,307,519	4,870	133,798	14,425	1,526,162
At 31 March 2014	65,550	1,307,519	11,384	170,622	17,415	1,572,490

8 Investments (held as fixed assets)

	Shares in group undertakings	Other investments	Total
	£	£	£
Cost			
At beginning of year	182	12,900	13,082
Disposals	-	(10,000)	(10,000)
At end of year	182	2,900	3,082
Provisions			
At beginning and end of year	180	-	180
Net book value			
At 31 March 2015	2	2,900	2,902
At 31 March 2014	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	
		Class	% held
<i>Subsidiary undertakings</i>			
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%.

	2015		2014	
	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
	£	£	£	£
<i>Subsidiary undertakings</i>				
Steel Supply (Property) Limited	(331,058)	-	(331,058)	-
Neath Abbey Freight Services Limited	5,016	(2,707)	7,723	(17,883)
Charterflow Limited	(29,201)	-	(29,201)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9 Debtors

	2015	2014
	£	£
Trade debtors	68,259	56,997
Amounts owed by subsidiary undertakings	29,377	33,846
Other debtors	162,050	191,877
Prepayments and accrued income	8,038	5,319
	<u> </u>	<u> </u>
	267,724	288,039
	<u> </u>	<u> </u>

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	127,793
Loan advances during the year	144,231
Repayments during the year	(150,000)
Balance at end of year due to company	122,024

No interest was charged on the loans and the maximum amount outstanding during the year was £142,579.

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Bank loans	32,201	6,588
Trade creditors	24,430	12,664
Other taxes and social security	12,934	6,959
Other creditors	-	2,952
Corporation tax	8,754	-
Accruals and deferred income	157,673	142,102
Obligations under hire purchase contracts	21,216	43,519
	257,208	214,784

The bank loans are secured by a fixed and floating charge over the assets of the company.

12 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Bank loans	161,578	83,089
Obligations under hire purchase contracts	25,136	46,352
	186,714	129,441

The bank loans are repayable as follows:

	2015 £	2014 £
Within one year	32,201	6,588
Between one and two years	33,480	6,924
Between two and five years	82,927	22,962
Over five years	45,171	53,203
	193,779	89,677

Notes (continued)

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

Obligations under hire purchase contracts are repayable as follows:

	2015 £	2014 £
Within one year	21,216	43,519
Between one and two years	21,524	21,216
Between two and five years	3,612	25,136
	<u>46,352</u>	<u>89,871</u>

13 Deferred taxation

	£
At beginning of year	16,487
Credited to the profit and loss account in the year	(2,341)
At end of year	<u>14,146</u>

The deferred taxation liability comprises tax at 20% (2014: 20%) as follows:

	2015		2014	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	17,348	-	23,640	-
Other timing differences	(3,202)	-	(4,074)	-
Losses and other deductions	-	-	(3,079)	-
	<u>14,146</u>	<u>-</u>	<u>16,487</u>	<u>-</u>

Notes (continued)

14 Called up share capital

	2015 £	2014 £
<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	882,512	1,297,755
Loss for the financial year	-	(162,542)	(162,542)
At end of year	415,243	719,970	1,135,213

16 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
(Loss)/profit for the financial year	(162,542)	19,477
Movement in shareholders' funds	(162,542)	19,477
Opening shareholders' funds	1,519,512	1,500,035
Closing shareholders' funds	1,356,970	1,519,512

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 (2014: £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 2015 £	Year to 31 March 2014 £
Neath Abbey Freight Services Limited	Subsidiary undertaking	Payments on behalf of the related party	81,531	70,331
Neath Abbey Freight Services Limited	Subsidiary undertaking	Net cash receipts from related party	(98,000)	(136,500)
Neath Abbey Freight Services Limited	Subsidiary undertaking	Management time recharge	12,000	60,000

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 2015		Amount due (to)/from related party at 31 March 2014	
		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	29,377	-	33,846	-
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 2015 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.