

REGISTERED NUMBER: 06436498 (England and Wales)

Statutory Copy

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

FOR

EUROPEAN STEEL SHEETS LTD

SATURDAY



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FOR THE YEAR ENDED 31 DECEMBER 2009**

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EUROPEAN STEEL SHEETS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS:

S L Broadhurst
D W Broadhurst

SECRETARY:

S L Broadhurst

REGISTERED OFFICE:

Jean Broadhurst Works
Doris Road
Bordesley Green
Birmingham
West Midlands
B9 4SJ

REGISTERED NUMBER:

06436498 (England and Wales)

AUDITORS:

Sephton & Company LLP
Chartered Certified Accountants
Registered Auditors
Marston House
5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report with the accounts of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of steel merchants

REVIEW OF BUSINESS

Trading conditions proved extremely difficult during the year with both turnover and profitability being affected as a direct result of the global economic downturn

DIVIDENDS

The directors propose a final dividend payment of £1,471 per share

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

S L Broadhurst
D W Broadhurst

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 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 are 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

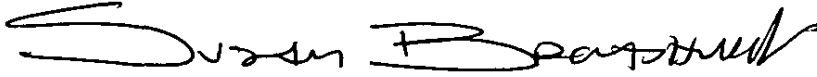
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009**

AUDITORS

The auditors, Sephton & Company LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'S L Broadhurst', written in a cursive style.

S L Broadhurst - Director

25 August 2010

**REPORT OF THE INDEPENDENT AUDITORS TO
EUROPEAN STEEL SHEETS LTD
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to seventeen, together with the full financial statements of European Steel Sheets Ltd for the year ended 31 December 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

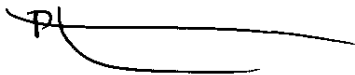
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



P L Houlston (Senior Statutory Auditor)
for and on behalf of Sephton & Company LLP
Chartered Certified Accountants
Registered Auditors
Marston House
5 Elmdon Lane
Marston Green
Solihull
West Midlands
B37 7DL

25 August 2010

EUROPEAN STEEL SHEETS LTD (REGISTERED NUMBER: 06436498)

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

		YEAR ENDED 31/12/09		PERIOD 6/3/08 TO 31/12/08	
	Notes	£	£	£	£
TURNOVER			12,046,153		16,514,714
Cost of sales and other operating income			(9,746,526)		(13,230,936)
			<u>2,299,627</u>		<u>3,283,778</u>
Distribution costs		118,882		216,649	
Administrative expenses		<u>1,788,371</u>	<u>1,907,253</u>	<u>1,299,623</u>	<u>1,516,272</u>
OPERATING PROFIT	3		392,374		1,767,506
Profit on sale of investments			<u>889</u>		<u>13,548</u>
			393,263		1,781,054
Investment income		5,962		12,014	
Interest receivable and similar income		<u>150,467</u>	<u>156,429</u>	<u>237,795</u>	<u>249,809</u>
			549,692		2,030,863
Interest payable and similar charges	4		<u>733</u>		<u>1,601</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			548,959		2,029,262
Tax on profit on ordinary activities	5		<u>240,418</u>		<u>623,788</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			<u><u>308,541</u></u>		<u><u>1,405,474</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period

The notes form part of these abbreviated accounts

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	548,959	2,029,262
Difference between historical cost depreciation and depreciation charge for year on revalued amounts	166,471	124,856
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	715,430	2,154,118
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION	475,012	1,530,330

The notes form part of these abbreviated accounts

EUROPEAN STEEL SHEETS LTD (REGISTERED NUMBER: 06436498)

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	6	17,070,666	17,055,971
CURRENT ASSETS			
Stocks	7	4,841,242	3,957,822
Debtors	8	5,328,729	6,380,352
Investments	9	383,319	372,348
Cash at bank and in hand		10,054,585	8,642,562
		<u>20,607,875</u>	<u>19,353,084</u>
CREDITORS			
Amounts falling due within one year	10	3,218,952	2,251,027
NET CURRENT ASSETS		<u>17,388,923</u>	<u>17,102,057</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,459,589	34,158,028
PROVISIONS FOR LIABILITIES	11	63,992	70,972
NET ASSETS		<u><u>34,395,597</u></u>	<u><u>34,087,056</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	102	102
Revaluation reserve	13	7,824,364	7,990,835
Investment property reserve	13	1,979,162	1,979,162
Profit and loss account	13	24,591,969	24,116,957
SHAREHOLDERS' FUNDS	15	<u><u>34,395,597</u></u>	<u><u>34,087,056</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 25 August 2010 and were signed on its behalf by



S L Broadhurst - Director



D W Broadhurst - Director

The notes form part of these abbreviated accounts

EUROPEAN STEEL SHEETS LTD (REGISTERED NUMBER: 06436498)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

		YEAR ENDED 31/12/09		PERIOD 6/3/08 TO 31/12/08	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		2,111,449		1,955,019
Returns on investments and servicing of finance	2		155,696		248,208
Taxation			(525,285)		(300,000)
Capital expenditure and financial investment	2		(329,837)		(642,146)
			<u>1,412,023</u>		<u>1,261,081</u>
Financing	2		-		(5,251)
Increase in cash in the period			<u>1,412,023</u>		<u>1,255,830</u>
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		1,412,023		1,255,830	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		10,971		(58,224)	
Cash outflow from decrease in debt and lease financing		-		5,253	
			<u>1,422,994</u>		<u>1,202,859</u>
Change in net funds resulting from cash flows			<u>1,422,994</u>		<u>1,202,859</u>
Movement in net funds in the period			1,422,994		1,202,859
Net funds at 1 January			9,014,910		-
Net funds at 31 December			<u>10,437,904</u>		<u>1,202,859</u>

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Operating profit	392,374	1,767,506
Depreciation charges	315,143	250,670
Loss on disposal of fixed assets	-	296
Increase in stocks	(883,420)	(1,407,083)
Decrease in debtors	1,041,541	1,063,703
Increase in creditors	1,245,811	279,927
Net cash inflow from operating activities	<u>2,111,449</u>	<u>1,955,019</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Returns on investments and servicing of finance		
Interest received	150,467	237,795
Interest paid	(733)	(1,601)
Dividends received	5,962	12,014
Net cash inflow for returns on investments and servicing of finance	<u>155,696</u>	<u>248,208</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(329,837)	(861,918)
Sale of tangible fixed assets	-	13,000
Sale of fixed asset investments	-	135,000
Sale of liquid investments	-	71,772
Net cash outflow for capital expenditure and financial investment	<u>(329,837)</u>	<u>(642,146)</u>
Financing		
Amount introduced by directors	130,068	24,371
Amount withdrawn by directors	(130,068)	(24,371)
Share issue	-	2
Capital repayments in period	-	(5,253)
Net cash outflow from financing	<u>-</u>	<u>(5,251)</u>

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/09 £	Cash flow £	At 31/12/09 £
Net cash			
Cash at bank and in hand	8,642,562	1,412,023	10,054,585
	<u>8,642,562</u>	<u>1,412,023</u>	<u>10,054,585</u>
Liquid resources			
Current asset investments	372,348	10,971	383,319
	<u>372,348</u>	<u>10,971</u>	<u>383,319</u>
Total	<u>9,014,910</u>	<u>1,422,994</u>	<u>10,437,904</u>

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land & buildings	- 2% on valuation
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 ACCOUNTING POLICIES - continued

Land & buildings

The Company's land & buildings were revalued on the basis of Open Market Value by independent professional valuers, David Clarke and Partners

The valuations were as follows -

	£
Owner occupied land & buildings	12,835,000
Properties held for development	330,000
Investment properties	2,625,000
	<u>15,790,000</u>

These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11

For the purposes of depreciation the split between the land element of owner occupied land and buildings represents the directors' best estimates

Investment properties

The Company's investment properties were revalued on the basis of Open Market Value, by independent professional valuers, David Clarke and Partners

In accordance with SSAP 19, no depreciation is provided in respect of investment properties. This represents a departure from the Companies Act 1985 requirements concerning the depreciation of fixed assets. These properties are held for investment purposes and the directors consider that the adoption of this policy is necessary to give a true and fair view.

2 STAFF COSTS

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Wages and salaries	<u>1,056,473</u>	<u>760,411</u>

The average monthly number of employees during the year was as follows

	YEAR ENDED 31/12/09	PERIOD 6/3/08 TO 31/12/08
Office and management	8	8
Processing and distribution	4	4
	<u>12</u>	<u>12</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Hire of plant and machinery	2,975	-
Depreciation - owned assets	315,143	250,670
Loss on disposal of fixed assets	-	296
Auditors' remuneration	10,000	8,000
Foreign exchange differences	(29,484)	253
	<u>503,826</u>	<u>344,938</u>
Directors' remuneration	<u>503,826</u>	<u>344,938</u>

Information regarding the highest paid director is as follows

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Emoluments etc	<u>279,697</u>	<u>231,280</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Bank interest	5	1,601
Corporation tax interest	728	-
	<u>733</u>	<u>1,601</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Current tax		
UK corporation tax	247,399	634,632
Deferred tax	(6,981)	(10,844)
Tax on profit on ordinary activities	<u>240,418</u>	<u>623,788</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009**

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	YEAR ENDED 31/12/09 £	PERIOD 6/3/08 TO 31/12/08 £
Profit on ordinary activities before tax	548,959	2,029,262
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28.173%)	153,709	571,704
Effects of		
Expenses not deductible for tax purposes	14,833	5,304
Depreciation for period in excess of capital allowances	78,857	59,496
Profit on disposal of investments in excess of chargeable gains	-	(1,872)
Current tax charge	247,399	634,632

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £1,518,545.

6 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2009	16,620,728	2,987,980	517,115	651,370	20,777,193
Additions	326,629	-	3,208	-	329,837
At 31 December 2009	16,947,357	2,987,980	520,323	651,370	21,107,030
DEPRECIATION					
At 1 January 2009	192,525	2,748,868	258,074	521,754	3,721,221
Charge for year	256,700	22,429	3,620	32,394	315,143
At 31 December 2009	449,225	2,771,297	261,694	554,148	4,036,364
NET BOOK VALUE					
At 31 December 2009	16,498,132	216,683	258,629	97,222	17,070,666
At 31 December 2008	16,428,203	239,112	259,041	129,616	17,055,972

Included in cost of land and buildings is freehold land of £4,112,357 (2008 - £3,785,728) which is not depreciated.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

6 TANGIBLE FIXED ASSETS - continued**Analysis of Land & Buildings**

	Freehold Property £	Freehold Investment Property £	Leasehold Investment Property £	Total £
Cost/revaluation				
At 1 January 2009	12,835,000	3,315,728	470,000	16,620,728
Additions	-	326,629	-	326,629
At 31 December 2009	<u>12,835,000</u>	<u>3,642,357</u>	<u>470,000</u>	<u>16,947,357</u>
Depreciation				
At 1 January 2009	192,525	-	-	192,525
Charge for year	256,700	-	-	256,700
At 31 December 2009	<u>449,225</u>	<u>-</u>	<u>-</u>	<u>449,225</u>
Net Book Value				
At 31 December 2009	<u>12,385,775</u>	<u>3,642,357</u>	<u>470,000</u>	<u>16,498,132</u>
At 31 December 2008	<u>12,642,475</u>	<u>3,315,728</u>	<u>470,000</u>	<u>16,428,203</u>

7 STOCKS

	2009 £	2008 £
Stocks	<u>4,841,242</u>	<u>3,957,822</u>

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	5,106,748	5,996,099
Other debtors	144,860	333,542
Prepayments	77,121	50,711
	<u>5,328,729</u>	<u>6,380,352</u>

9 CURRENT ASSET INVESTMENTS

	2009 £	2008 £
Listed investments	<u>383,319</u>	<u>372,348</u>

Market value of listed investments at 31 December 2009 - £174,401 (2008 - £121,605)

EUROPEAN STEEL SHEETS LTD (REGISTERED NUMBER: 06436498)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009**

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Trade creditors	2,543,970	1,578,102
Corporation tax	231,183	509,069
Taxation & social security	130,427	30,417
Other creditors	246,813	13,256
Accrued expenses	66,559	120,183
	<u>3,218,952</u>	<u>2,251,027</u>

11 PROVISIONS FOR LIABILITIES

	2009	2008
	£	£
Deferred tax	<u>63,992</u>	<u>70,972</u>
		Deferred tax
		£
Balance at 1 January 2009		70,972
Movement in period		<u>(6,980)</u>
Balance at 31 December 2009		<u>63,992</u>

12 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2009	2008
Number	Class	Nominal value	£	£
102	Ordinary	£1 00	<u>102</u>	<u>102</u>

13 RESERVES

	Profit and loss account	Revaluation reserve	Investment property reserve	Totals
	£	£	£	£
At 1 January 2009	24,116,957	7,990,835	1,979,162	34,086,954
Profit for the year	308,541			308,541
Other movements	166,471	(166,471)	-	-
At 31 December 2009	<u>24,591,969</u>	<u>7,824,364</u>	<u>1,979,162</u>	<u>34,395,495</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

14 **RELATED PARTY DISCLOSURES**

Galvanised Sheets & Coil Limited

During the year the company traded with Galvanised Sheets & Coil Limited, a company which was under common control. Transactions between the two companies were as follows -

Sales include £265,128 (2008 £711,032) to Galvanised Sheets & Coil Limited. Similarly rent receivable includes £78,000 (2008 £65,000) and purchases include £351,886 (2008 £178,170).

Trade debtors include £80,609 (2008 £439,741) due from Galvanised Sheets & Coil Limited.

Trade creditors include £466,467 (2008 £368,023) due to Galvanised Sheets & Coil Limited.

15 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2009 £	2008 £
Profit for the financial year	308,541	1,405,474
Non-distributable shareholders funds acquired	-	10,094,853
Share issue	-	102
Net addition to shareholders' funds	308,541	11,500,429
Opening shareholders' funds	34,087,056	22,586,627
Closing shareholders' funds	34,395,597	34,087,056