

REGISTERED NUMBER: 06436498 (England and Wales)

Statutory

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

FOR

EUROPEAN STEEL SHEETS LIMITED

SATURDAY



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FOR THE YEAR ENDED 31 DECEMBER 2011**

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EUROPEAN STEEL SHEETS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011

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)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the accounts of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The directors are pleased with the results for the year ended 31 December 2011, and are extremely confident that this performance will be exceeded in 2012 with investment in our sales and operations departments, as well as a target to further strengthen the balance sheet. This will put us in a strong position for future growth in 2013 and beyond.

The directors consider the key performance indicators are those that reflect the financial performance of the company, being turnover and gross profit margin.

The industry remains competitive and trading remains difficult, affecting the turnover and gross margin of the company.

In common with its competitors, the principal risk faced by the business relates to fluctuating steel prices, which the directors continue to monitor.

DIVIDENDS

The directors propose a final dividend of £360,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

S L Broadhurst

D W Broadhurst

FINANCIAL INSTRUMENTS

The directors have developed review procedures and control systems to effectively manage the principle strategic, financial and operational risks faced by the business.

The company's principle financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

ENVIRONMENTAL MATTERS AND EMPLOYEE MATTERS

The company is an equal opportunity employer. We are committed to ensuring within the framework of the law that our workplaces are free from unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic or national origin, sex, gender (including gender reassignment), sexual orientation, religion or belief, age, marital or civil partnership status or physical or mental disability.

The company values diversity and is committed to promoting diversity within the workplace by seeking to ensure that all individuals are treated fairly with dignity and respect and by recognising and encouraging individual contribution within the organisation.

The company aims to ensure that its staff achieve their full potential and that all employment decisions are taken without reference to irrelevant or discriminatory criteria. The company has adopted this Equal Opportunities Policy as a means of helping to achieve these aims.

The company is committed to ensuring that all staff and all applicants for employment are protected from unlawful discrimination in the workplace. We endeavour not to discriminate in the areas of recruitment, selection, promotion, transfer, training, access to benefits and services, discipline or dismissal. It is also our policy that all employees should be allowed to work in an environment free from harassment, bullying or unsolicited or unwelcome comments or overtures on discriminatory grounds.

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 2011**

AUDITORS

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

ON BEHALF OF THE BOARD:



S L Broadhurst - Secretary

Date 14.5.2012

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

We have examined the abbreviated accounts set out on pages six to nineteen, together with the full financial statements of European Steel Sheets Limited for the year ended 31 December 2011 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.



S D Connell (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

Date

14 May 2012

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
TURNOVER		19,596,860	20,872,079
Cost of sales and other operating income		(16,114,690)	(17,352,490)
		<u>3,482,170</u>	<u>3,519,589</u>
Distribution costs		178,403	195,146
Administrative expenses		<u>1,658,296</u>	<u>1,408,589</u>
		1,836,699	1,603,735
OPERATING PROFIT	3	1,645,471	1,915,854
Profit on sale of investments		<u>7,208</u>	<u>(79,956)</u>
		1,652,679	1,835,898
Investment income		8,108	5,506
Interest receivable and similar income		<u>89,228</u>	<u>49,457</u>
		97,336	54,963
		1,750,015	1,890,861
Interest payable and similar charges	4	<u>5,460</u>	<u>8,502</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,744,555	1,882,359
Tax on profit on ordinary activities	5	<u>509,113</u>	<u>555,066</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,235,442</u>	<u>1,327,293</u>

CONTINUING OPERATIONS

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

The notes form part of these abbreviated accounts

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	1,235,442	1,327,293
Unrealised property revaluation	50,000	(6,868,404)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>1,285,442</u>	<u>(5,541,111)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,744,555	1,882,359
Difference between historical cost depreciation and depreciation charge for year on revalued amounts	30,440	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1,774,995</u>	<u>1,882,359</u>
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	<u>905,882</u>	<u>1,177,251</u>

The notes form part of these abbreviated accounts

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2011**

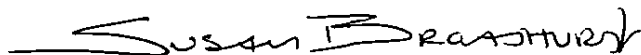
	Notes	2011	2010
		£	£
FIXED ASSETS			
Tangible assets	7	9,384,762	9,250,687
CURRENT ASSETS			
Stocks	8	5,846,407	4,882,774
Debtors	9	6,403,898	6,748,065
Investments	10	303,320	303,320
Cash at bank and in hand		10,109,868	10,921,649
		<u>22,663,493</u>	<u>22,855,808</u>
CREDITORS			
Amounts falling due within one year	11	2,382,213	3,339,042
NET CURRENT ASSETS		<u>20,281,280</u>	<u>19,516,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		29,666,042	28,767,453
PROVISIONS FOR LIABILITIES	12	36,156	63,009
NET ASSETS		<u><u>29,629,886</u></u>	<u><u>28,704,444</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	102	102
Revaluation reserve	14	1,491,621	1,522,061
Investment property reserve	14	1,754,388	1,704,388
Profit and loss account	14	26,383,775	25,477,893
SHAREHOLDERS' FUNDS	17	<u><u>29,629,886</u></u>	<u><u>28,704,444</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

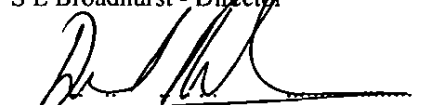
The financial statements were approved by the Board of Directors on behalf by

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and were signed on its

 .

S L Broadhurst - Director


D W Broadhurst - Director

The notes form part of these abbreviated accounts

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	1	362,762	452,900
Returns on investments and servicing of finance	2	91,876	46,461
Taxation		(684,418)	(400,001)
Capital expenditure	2	(229,208)	917,703
Acquisitions and disposals	2	7,207	43
Equity dividends paid		(360,000)	(150,042)
		(811,781)	867,064
Financing	2	-	-
(Decrease)/increase in cash in the period		(811,781)	867,064
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(811,781)	867,064
Cash inflow from decrease in liquid resources		-	(79,999)
Change in net funds resulting from cash flows		(811,781)	787,065
Movement in net funds in the period		(811,781)	787,065
Net funds at 1 January		11,224,969	10,437,904
Net funds at 31 December		10,413,188	11,224,969

The notes form part of these abbreviated accounts

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

	2011 £	2010 £
Operating profit	1,645,471	1,915,854
Depreciation charges	145,133	(393,232)
Profit on disposal of fixed assets	-	(118,837)
Impairment of fixed assets	-	545,941
Increase in stocks	(963,633)	(41,532)
Decrease/(increase) in debtors	361,354	(1,419,336)
Decrease in creditors	(825,563)	(35,958)
Net cash inflow from operating activities	<u>362,762</u>	<u>452,900</u>

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

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	89,228	49,457
Interest paid	(5,460)	(8,502)
Dividends received	8,108	5,506
Net cash inflow for returns on investments and servicing of finance	<u>91,876</u>	<u>46,461</u>
Capital expenditure		
Purchase of tangible fixed assets	(229,208)	(49,599)
Sale of tangible fixed assets	-	967,302
Net cash (outflow)/inflow for capital expenditure	<u>(229,208)</u>	<u>917,703</u>
Acquisitions and disposals		
Proceeds of current asset investments	7,207	43
Net cash inflow for acquisitions and disposals	<u>7,207</u>	<u>43</u>
Financing		
Amount introduced by directors	-	209,422
Amount withdrawn by directors	-	(209,422)
Net cash inflow from financing	<u>-</u>	<u>-</u>

The notes form part of these abbreviated accounts

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/11 £	Cash flow £	At 31/12/11 £
Net cash			
Cash at bank and in hand	10,921,649	(811,781)	10,109,868
	<u>10,921,649</u>	<u>(811,781)</u>	<u>10,109,868</u>
Liquid resources			
Current asset investments	303,320	-	303,320
	<u>303,320</u>	<u>-</u>	<u>303,320</u>
Total	<u>11,224,969</u>	<u>(811,781)</u>	<u>10,413,188</u>

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

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	- 20% on cost
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

Hire purchase and leasing commitments

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

Land & buildings

With the exception of one property, the land and buildings were independently valued as at 31st December 2010 by David Clarke and Partners, Chartered Surveyors. The basis of valuation was Existing Use Value (equating to Market Value in the case of properties held as investments). The valuation was based on a desk-top review of previous valuations undertaken by the valuer, without re-inspection and based on information provided by the directors, not verified by the valuer, as to any material physical or occupational changes to the properties since March 2007. Additions during the year are at cost.

The directors are not aware of any material change in valuation and therefore the valuations have not been updated.

An investment property excluded from the David Clarke and Partners valuation has been valued by the directors in the sum of £50,000.

The valuations and cost values are as follows -

	£
Owner occupied land & buildings	5,925,000
Properties held for development	225,000
Investment properties	2,814,208
	8,964,208

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES - continued

Investment properties

In accordance with SSAP 19, no depreciation is provided in respect of investment properties. This represents a departure from the Companies Act 2006 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

	2011 £	2010 £
Wages and salaries	<u>1,037,094</u>	<u>1,071,969</u>

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

	2011	2010
Office and management	9	9
Processing and distribution	<u>5</u>	<u>4</u>
	<u>14</u>	<u>13</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Hire of plant and machinery	-	10,070
Depreciation - owned assets	145,133	(393,233)
Profit on disposal of fixed assets	-	(118,837)
Auditors' remuneration	9,000	12,000
All other services	13,464	10,575
Foreign exchange differences	<u>-</u>	<u>(53,320)</u>
Directors' remuneration	<u>505,867</u>	<u>510,417</u>

Information regarding the highest paid director is as follows

	2011 £	2010 £
Emoluments etc	<u>282,448</u>	<u>282,979</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	2	94
Other interest	2,513	1,534
Corporation tax interest	2,945	6,874
	<u>5,460</u>	<u>8,502</u>

5 TAXATION

Analysis of the tax charge

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

	2011	2010
	£	£
Current tax		
UK corporation tax	535,965	556,049
Deferred tax	(26,852)	(983)
Tax on profit on ordinary activities	<u>509,113</u>	<u>555,066</u>

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

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>1,744,555</u>	<u>1,882,359</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.493% (2010 - 28%)	462,185	527,061
Effects of		
Expenses not deductible for tax purposes	45,370	2,750
Depreciation for period in excess of capital allowances	30,558	17,177
Chargeable gains	(2,148)	9,061
Current tax charge	<u>535,965</u>	<u>556,049</u>

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 £280,681.

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

6 DIVIDENDS

	2011 £	2010 £
Ordinary shares of £1 00 each		
Final	<u>360,000</u>	<u>150,042</u>

7 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2011	8,685,000	2,989,260	544,294	675,265	12,893,819
Additions	229,208	-	-	-	229,208
Revaluations	50,000	-	-	-	50,000
	<u>8,964,208</u>	<u>2,989,260</u>	<u>544,294</u>	<u>675,265</u>	<u>13,173,027</u>
DEPRECIATION					
At 1 January 2011	-	2,791,886	266,829	584,417	3,643,132
Charge for year	46,250	20,726	55,454	22,703	145,133
	<u>46,250</u>	<u>2,812,612</u>	<u>322,283</u>	<u>607,120</u>	<u>3,788,265</u>
NET BOOK VALUE					
At 31 December 2011	<u>8,917,958</u>	<u>176,648</u>	<u>222,011</u>	<u>68,145</u>	<u>9,384,762</u>
At 31 December 2010	<u>8,685,000</u>	<u>197,374</u>	<u>277,465</u>	<u>90,848</u>	<u>9,250,687</u>

Included in cost or valuation of land and buildings is freehold land of £3,612,500 (2010 - £3,612,500) which is not depreciated

Cost or valuation at 31 December 2011 is represented by

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2010	8,685,000	-	-	-	8,685,000
Valuation in 2011	50,000	-	-	-	50,000
Cost	<u>229,208</u>	<u>2,989,260</u>	<u>544,294</u>	<u>675,265</u>	<u>4,438,027</u>
	<u>8,964,208</u>	<u>2,989,260</u>	<u>544,294</u>	<u>675,265</u>	<u>13,173,027</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

7 TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued they would have been included at the following historical cost

	2011 £	2010 £
Cost	4,719,311	4,719,311
Aggregate depreciation	390,716	358,004
Value of land in freehold land and buildings	3,083,684	3,083,684

Freehold properties were valued on existing use value basis on 31 December 2010 by David Clarke and Partners

Analysis of Land & Buildings

	Freehold Property £	Freehold Investment Property £	Leasehold Investment Property £	Total £
Cost/revaluation				
At 1 January 2011	5,925,000	2,365,000	395,000	8,685,000
Revaluation	-	50,000	-	50,000
Additions	-	229,208	-	229,208
Disposals	-	-	-	-
At 31 December 2011	5,925,000	2,644,208	395,000	8,964,208
Depreciation				
At 1 January 2011	-	-	-	-
Charge for year	46,250	-	-	46,250
Released on revaluation	-	-	-	-
At 31 December 2011	46,250	-	-	46,250
Net Book Value				
At 31 December 2011	5,878,750	2,644,208	395,000	8,917,958
At 31 December 2010	5,925,000	2,365,000	395,000	8,685,000

8 STOCKS

	2011 £	2010 £
Stocks	5,846,407	4,882,774

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	6,169,515	6,616,736
Other debtors	43,207	2,041
Taxation	17,187	-
Prepayments	173,989	129,288
	<u>6,403,898</u>	<u>6,748,065</u>

10 CURRENT ASSET INVESTMENTS

	2011	2010
	£	£
Listed investments	<u>303,320</u>	<u>303,320</u>
Market value of listed investments at 31 December 2011 - £127,907 (2010 - £148,619)		

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	1,653,305	2,438,906
Corporation tax	255,965	387,231
Taxation & social security	34,109	125,235
Other creditors	342,525	299,638
Accrued expenses	96,309	88,032
	<u>2,382,213</u>	<u>3,339,042</u>

12 PROVISIONS FOR LIABILITIES

	2011	2010
	£	£
Deferred tax	<u>36,156</u>	<u>63,009</u>
		Deferred tax
		£
Balance at 1 January 2011		63,009
Accelerated capital allowances		(20,827)
Change in tax rate		<u>(6,026)</u>
Balance at 31 December 2011		<u>36,156</u>

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value £1 00	2011 £ 102	2010 £ 102
Number	Class			
102	Ordinary			

14 RESERVES

	Profit and loss account £	Revaluation reserve £	Investment property reserve £	Totals £
At 1 January 2011	25,477,893	1,522,061	1,704,388	28,704,342
Profit for the year	1,235,442			1,235,442
Dividends	(360,000)			(360,000)
Property revaluation	-	-	50,000	50,000
Other movements	30,440	(30,440)	-	-
At 31 December 2011	26,383,775	1,491,621	1,754,388	29,629,784

15. TRANSACTIONS WITH DIRECTORS

During the year the company leased assets to the directors of the company. Premiums charged in the year in respect of these assets amounted to £34,000 (2010 £16,000).

16 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 £287,679 (2010 £553,951) to Galvanised Sheets & Coil Limited. Similarly rent receivable includes £78,000 (2010 £78,000) and purchases include £228,884 (2010 £273,545).

Land and buildings include an acquisition of £220,000 from Galvanised Sheet & Coil Limited.

Trade debtors include £56,736 (2010 £145,237) due from Galvanised Sheets & Coil Limited.

Trade creditors include £399,348 (2010 £441,157) due to Galvanised Sheets & Coil Limited.

EUROPEAN STEEL SHEETS LIMITED (REGISTERED NUMBER: 06436498)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	1,235,442	1,327,293
Dividends	(360,000)	(150,042)
	875,442	1,177,251
Other recognised gains and losses relating to the year (net)	50,000	(6,868,404)
Net addition/(reduction) to shareholders' funds	925,442	(5,691,153)
Opening shareholders' funds	28,704,444	34,395,597
Closing shareholders' funds	29,629,886	28,704,444