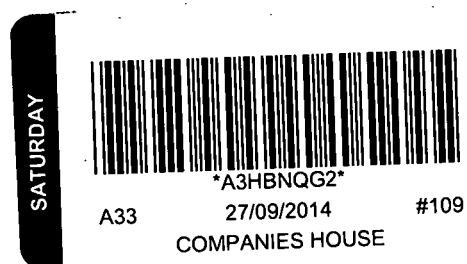


Company Registration No. 06436498 (England and Wales)

EUROPEAN STEEL SHEETS LIMITED
ABBREVIATED ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013



EUROPEAN STEEL SHEETS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 17

EUROPEAN STEEL SHEETS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

We aim to present a balanced and comprehensive review of the development and performance of our business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

There has been no change in the principal activities of the company during the period.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

Turnover has decreased by 4.7% compared to the previous period. Gross margin has remained steady at 12.53% (2012 12.20%).

Overall there has been an operating profit of £454,767 (2012 £610,851) and a profit before tax of £480,550 (2012 £663,061). After taxation, £342,643 has been added to reserves.

Return on capital employed has decreased to 1.97% (2012 2.05%). Return on capital employed is calculated as profit before exceptional items, interest and tax divided by capital employed, which constitutes total assets less current liabilities.

Review of the business

As for many businesses of our size, the business environment in which we operate continues to be challenging. The market is highly competitive and margins continue to be under pressure. We are of course subject to world economic patterns and the level of activity within our economy.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

We consider that the financial position of the company at the period end is satisfactory, with adequate cash resources and an increase in total net assets compared with the previous period.

On behalf of the board



D W Broadhurst
Director

25 September 2014

EUROPEAN STEEL SHEETS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the company continued to be that of steel stockholders.

Results and dividends

The results for the year are set out on page 5.

Purchase of own shares

On 9 March 2013 the company purchased 34 ordinary shares of £1 each from a shareholder who no longer had an active role within the company. The consideration for the shares was £7,000,000.

Directors

The following directors have held office since 1 January 2013:

S L Broadhurst

D W Broadhurst

Auditors

Michael Kay & Company Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

EUROPEAN STEEL SHEETS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D W Broadhurst

Director

25 September 2014

EUROPEAN STEEL SHEETS LIMITED

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

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of European Steel Sheets Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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.

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.

Marcus Daly (Senior Statutory Auditor)
for and on behalf of Michael Kay & Company Limited 25 September 2014

Chartered Accountants
Statutory Auditor

2 Water Court
Water Street
Birmingham
West Midlands
B3 1HP

EUROPEAN STEEL SHEETS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover		15,661,217	16,429,876
Other operating income less cost of sales		(13,307,106)	(13,960,850)
Distribution costs		(166,915)	(262,807)
Administrative expenses		(1,732,429)	(1,595,368)
Operating profit	2	454,767	610,851
Investment income	3	7,116	(27,643)
Other interest receivable and similar income		18,667	80,876
Interest payable and similar charges	4	-	(1,023)
Profit on ordinary activities before taxation		480,550	663,061
Tax on profit on ordinary activities	5	(137,907)	(205,228)
Profit for the year	14	342,643	457,833

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Note of historical cost profits and losses

	2013 £	2012 £
Reported profit on ordinary activities before taxation	480,550	663,061
Realisation of property revaluation gains of previous years	-	-
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	(15,218)	(15,218)
Historical cost profit on ordinary activities before taxation	465,332	647,843
Historical cost profit for the year retained after taxation, extraordinary items and dividends	327,425	82,615

EUROPEAN STEEL SHEETS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets		9,246,246		9,379,648	
Current assets					
Stocks		6,158,798		6,519,279	
Debtors		6,286,994		6,050,856	
Investments		236,093		236,093	
Cash at bank and in hand		3,567,625		10,110,199	
		<u>16,249,510</u>		<u>22,916,427</u>	
Creditors: amounts falling due within one year		<u>(2,383,684)</u>		<u>(2,528,657)</u>	
Net current assets		13,865,826		20,387,770	
Total assets less current liabilities		<u>23,112,072</u>		<u>29,767,418</u>	
Provisions for liabilities		(41,710)		(39,699)	
		<u>23,070,362</u>		<u>29,727,719</u>	
Capital and reserves					
Called up share capital		68		102	
Revaluation reserve		3,246,009		3,246,009	
Other reserves		34		-	
Profit and loss account		19,824,251		26,481,608	
Shareholders' funds		<u>23,070,362</u>		<u>29,727,719</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 25 September 2014


D W Broadhurst
Director

Company Registration No. 06436498

EUROPEAN STEEL SHEETS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	£	2013 £	£	2012 £
Net cash inflow from operating activities	19		634,563		957,012
Returns on investments and servicing of finance					
Interest received		18,667		80,876	
Interest paid		-		(1,023)	
Net cash inflow for returns on investments and servicing of finance			18,667		79,853
Taxation			(156,683)		(535,966)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(39,121)		(175,000)	
Receipts from sales of investments		-		(32,795)	
Net cash outflow for capital expenditure			(39,121)		(207,795)
Equity dividends paid			-		(360,000)
Net cash inflow/(outflow) before management of liquid resources and financing			457,426		(66,896)
Management of liquid resources					
Current asset investments		-		67,227	
			-		67,227
Financing					
Purchase of own shares		(7,000,000)		-	
Decrease in debt		-		-	
Net cash outflow from financing			(7,000,000)		-
(Decrease)/increase in cash in the year	20, 21		(6,542,574)		331

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	1% on valuation
Plant and machinery	10% on reducing balance
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on reducing balance

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

2	Operating profit	2013	2012
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	172,523	180,114
	Operating lease rentals		
	- Plant and machinery	9,035	-
	Auditors' remuneration (including expenses and benefits in kind)	9,000	9,000
		<u> </u>	<u> </u>
3	Investment income	2013	2012
		£	£
	Income from fixed asset investments	7,116	(27,643)
	Bank interest	17,653	80,876
	Other interest	1,014	-
		<u> </u>	<u> </u>
		<u>25,783</u>	<u>53,233</u>
4	Interest payable	2013	2012
		£	£
	On overdue tax	-	1,013
	Other interest	-	10
		<u> </u>	<u> </u>
		<u>-</u>	<u>1,023</u>

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U.K. corporation tax	135,897	201,684
	Adjustment for prior years	-	1
	Total current tax	135,897	201,685
	Deferred tax		
	Origination and reversal of timing differences	2,010	3,543
		137,907	205,228
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	480,550	663,061
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.10% (2012 - 24.50%)	106,202	162,430
	Effects of:		
	Non deductible expenses	2,255	4,314
	Depreciation add back	38,133	44,112
	Capital allowances	(9,120)	(7,910)
	Adjustments to previous periods	-	1
	Dividends and distributions received	(1,573)	(1,262)
		29,695	39,255
	Current tax charge for the year	135,897	201,685
6	Dividends	2013 £	2012 £
	Ordinary final paid	-	360,000

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2013	8,964,208	2,989,260	544,294	850,265	13,348,027
Additions	25,656	2,465	-	11,000	39,121
At 31 December 2013	8,989,864	2,991,725	544,294	861,265	13,387,148
Depreciation					
At 1 January 2013	92,500	2,830,249	377,737	667,893	3,968,379
Charge for the year	46,250	15,983	64,697	45,593	172,523
At 31 December 2013	138,750	2,846,232	442,434	713,486	4,140,902
Net book value					
At 31 December 2013	8,851,114	145,493	101,860	147,779	9,246,246
At 31 December 2012	8,871,708	159,011	166,557	182,372	9,379,648

The land and buildings were independently valued at 31 December 2010 by David Clarke and Partners, Chartered Surveyors on the basis of existing use value. 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 in the year are at cost. The directors are not aware of any material change in valuation and therefore the valuations have not been updated. The valuations and cost values comprise owner occupied land & buildings £5,925,000, properties held for development £225,000 and investment properties £2,839,864.

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets (Continued)

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 January 2013 & at 31 December 2013	4,719,311
Depreciation based on cost	
At 1 January 2013	423,428
Charge for the year	32,712
At 31 December 2013	456,140
Net book value	
At 31 December 2013	4,263,171
At 31 December 2012	4,295,883

8	Stocks	2013 £	2012 £
	Finished goods and goods for resale	6,158,798	6,519,279
9	Debtors	2013 £	2012 £
	Trade debtors	5,862,942	5,866,010
	Corporation tax	99,103	78,316
	Other debtors	274,039	58,720
	Prepayments and accrued income	50,910	47,810
		6,286,994	6,050,856

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10	Current asset investments	2013 £	2012 £
	Listed investments	236,093	236,093
	Market valuation of listed investments	176,767	132,031

11	Creditors: amounts falling due within one year	2013 £	2012 £
	Trade creditors	2,092,685	2,143,604
	Taxes and social security costs	152,578	37,901
	Directors' current accounts	-	148,380
	Other creditors	80,992	102,662
	Accruals and deferred income	57,429	96,110
		2,383,684	2,528,657

12	Provisions for liabilities	Deferred tax liability £
	Balance at 1 January 2013	39,700
	Profit and loss account	2,010
	Balance at 31 December 2013	41,710

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	41,710	39,699

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

13	Share capital	2013 £	2012 £
	Allotted, called up and fully paid		
	68 Ordinary of £1 each	68	102

On 9 March 2013 the company purchased 34 ordinary shares of £1 each from a shareholder who no longer had an active role within the company. The consideration for the shares was £7,000,000.

14	Statement of movements on reserves	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
	Balance at 1 January 2013	3,246,009	-	26,481,608
	Profit for the year	-	-	342,643
	Purchase of own shares	-	-	(7,000,000)
	Movement during the year	-	34	-
	Balance at 31 December 2013	3,246,009	34	19,824,251

Other reserves

Capital redemption reserve

Capital redemption reserve movement

34

Balance at 31 December 2013

34

15	Reconciliation of movements in shareholders' funds	2013 £	2012 £
	Profit for the financial year	342,643	457,833
	Dividends	-	(360,000)
		342,643	97,833
	Purchase of own shares	(7,000,000)	-
	Net (depletion in)/addition to shareholders' funds	(6,657,357)	97,833
	Opening shareholders' funds	29,727,719	29,629,886
	Closing shareholders' funds	23,070,362	29,727,719

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

16 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Other 2013 £	2012 £
Operating leases which expire:		
Between two and five years	6,840	-
	<u>6,840</u>	<u>-</u>

17 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	144,367	505,795
	<u>144,367</u>	<u>505,795</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Directors	2	2
Cost of Sales	4	4
Sales	3	3
Admin	4	4
	<u>13</u>	<u>13</u>

Employment costs

	2013 £	2012 £
Wages and salaries	562,098	951,335
Social security costs	63,855	128,677
	<u>625,953</u>	<u>1,080,012</u>

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

19	Reconciliation of operating profit to net cash outflow from operating activities	2013	2012
		£	£
	Operating profit	454,767	610,851
	Depreciation of tangible assets	172,523	180,114
	Decrease/(increase) in stocks	360,481	(672,872)
	(Increase)/decrease in debtors	(208,235)	436,510
	(Decrease)/Increase in creditors within one year	(144,973)	402,409
	Net cash inflow from operating activities	634,563	957,012

20	Analysis of net funds	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	10,110,199	(6,542,574)	-	3,567,625
	Liquid resources:				
	Current asset investments	236,093	-	-	236,093
	Net funds	10,346,292	(6,542,574)	-	3,803,718

21	Reconciliation of net cash flow to movement in net funds	2013	2012
		£	£
	(Decrease)/increase in cash in the year	(6,542,574)	331
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	-	(67,227)
	Movement in net funds in the year	(6,542,574)	(66,896)
	Opening net funds	10,346,292	10,413,188
	Closing net funds	3,803,718	10,346,292

22 Remuneration trust

The company made a contribution in the accounting period to a Remuneration Trust in the amount of £340,000. The terms of the trust are set out in a trust deed executed by the company and the original trustees.

EUROPEAN STEEL SHEETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

23 Related party relationships and transactions

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Interest free loan	-	-	98,729	-	-	98,729
Interest free loan	-	-	98,683	-	-	98,683
			<u>197,412</u>	<u>-</u>	<u>-</u>	<u>197,412</u>

The above loans have been repaid since 31 December 2013.

S L Broadhurst and D W Broadhurst are shareholders in Galvanised Sheets & Coil Limited.

During the year the company made sales of £135,158 to and received rent of £78,000 from Galvanised Sheets and Coil Limited. The company also purchased good of £291,831 from Galvanised Sheets and Coil Limited during the year.

Trade debtors include £189,870 due from Galvanised Sheets & Coil Limited.

Trade creditors include £499,925 due to Galvanised Sheets & Coil Limited.