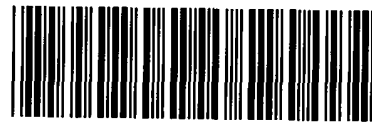


Company Registration No. 06436498 (England and Wales)

**EUROPEAN STEEL SHEETS LIMITED**  
**ABBREVIATED ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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# EUROPEAN STEEL SHEETS LIMITED

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# EUROPEAN STEEL SHEETS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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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 10.80% compared to the previous period. Gross margin has increased slightly to 13.91% (2013 12.53%).

Overall there has been an operating profit of £145,959 (2013 £454,767) and a profit before tax of £100,609 (2013 £480,550). After taxation, £58,902 has been added to reserves.

Return on capital employed has decreased to 0.63% (2013 1.97%). 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.

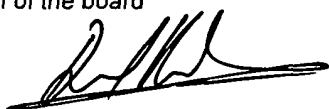
### **Review of the business**

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**

29 September 2015

# EUROPEAN STEEL SHEETS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

---

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

### 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 4.

### Directors

The following directors have held office since 1 January 2014:

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.

### 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:

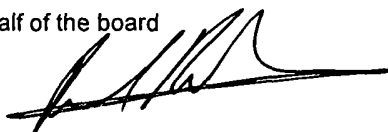
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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**

29 September 2015

# EUROPEAN STEEL SHEETS LIMITED

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

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We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of European Steel Sheets Limited for the year ended 31 December 2014 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**      29 September 2015

**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 2014

|                                                      | Notes     | 2014<br>£      | 2013<br>£      |
|------------------------------------------------------|-----------|----------------|----------------|
| <b>Turnover</b>                                      |           | 13,969,780     | 15,661,217     |
| Other operating income less cost of sales            |           | (11,623,741)   | (13,307,106)   |
| Distribution costs                                   |           | (192,552)      | (166,915)      |
| Administrative expenses                              |           | (2,007,528)    | (1,732,429)    |
| <b>Operating profit</b>                              | <b>2</b>  | <b>145,959</b> | <b>454,767</b> |
| Investment income                                    | <b>3</b>  | (50,309)       | 7,116          |
| Other interest receivable and similar income         |           | 4,982          | 18,667         |
| Interest payable and similar charges                 | <b>4</b>  | (23)           | -              |
| <b>Profit on ordinary activities before taxation</b> |           | <b>100,609</b> | <b>480,550</b> |
| Tax on profit on ordinary activities                 | <b>5</b>  | (41,707)       | (137,907)      |
| <b>Profit for the year</b>                           | <b>14</b> | <b>58,902</b>  | <b>342,643</b> |

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

# EUROPEAN STEEL SHEETS LIMITED

## ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

|                                                               | Notes | 2014<br>£        | 2013<br>£      |
|---------------------------------------------------------------|-------|------------------|----------------|
| <b>Profit for the financial year</b>                          |       | 58,902           | 342,643        |
| Unrealised surplus on revaluation of properties               |       | 7,400,136        | -              |
| <b>Total recognised gains and losses relating to the year</b> |       | <u>7,459,038</u> | <u>342,643</u> |

### Note of historical cost profits and losses

|                                                                                                                                            | 2014<br>£      | 2013<br>£      |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Reported profit on ordinary activities before taxation</b>                                                                              | 100,609        | 480,550        |
| Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount | (15,218)       | (15,218)       |
| <b>Historical cost profit on ordinary activities before taxation</b>                                                                       | <u>85,391</u>  | <u>465,332</u> |
| <b>Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends</b>                               | <u>(6,316)</u> | <u>327,425</u> |

# EUROPEAN STEEL SHEETS LIMITED

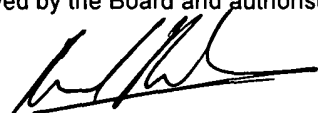
## ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

|                                                       | Notes | 2014<br>£   | £          | 2013<br>£   | £          |
|-------------------------------------------------------|-------|-------------|------------|-------------|------------|
| <b>Fixed assets</b>                                   |       |             |            |             |            |
| Tangible assets                                       | 7     |             | 16,506,479 |             | 9,246,246  |
| <b>Current assets</b>                                 |       |             |            |             |            |
| Stocks                                                | 8     | 5,021,462   |            | 6,158,798   |            |
| Debtors                                               | 9     | 4,338,460   |            | 6,286,994   |            |
| Investments                                           | 10    | 176,109     |            | 236,093     |            |
| Cash at bank and in hand                              |       | 6,263,851   |            | 3,567,625   |            |
|                                                       |       | 15,799,882  |            | 16,249,510  |            |
| <b>Creditors: amounts falling due within one year</b> | 11    | (1,797,590) |            | (2,383,684) |            |
| <b>Net current assets</b>                             |       |             | 14,002,292 |             | 13,865,826 |
| <b>Total assets less current liabilities</b>          |       |             | 30,508,771 |             | 23,112,072 |
| <b>Provisions for liabilities</b>                     | 12    |             | (29,371)   |             | (41,710)   |
|                                                       |       |             | 30,479,400 |             | 23,070,362 |
| <b>Capital and reserves</b>                           |       |             |            |             |            |
| Called up share capital                               | 13    |             | 68         |             | 68         |
| Revaluation reserve                                   | 14    | 10,646,145  |            | 3,246,009   |            |
| Other reserves                                        | 14    |             | 34         |             | 34         |
| Profit and loss account                               | 14    | 19,833,153  |            | 19,824,251  |            |
| <b>Shareholders' funds</b>                            | 15    |             | 30,479,400 |             | 23,070,362 |

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 29 September 2015

  
D W Broadhurst  
Director

Company Registration No. 06436498

# EUROPEAN STEEL SHEETS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

|                                                                            | Notes         | £        | 2014<br>£ | £           | 2013<br>£   |
|----------------------------------------------------------------------------|---------------|----------|-----------|-------------|-------------|
| <b>Net cash inflow from operating activities</b>                           | <b>20</b>     |          | 3,049,469 |             | 634,563     |
| <b>Returns on investments and servicing of finance</b>                     |               |          |           |             |             |
| Interest received                                                          |               | 4,982    |           | 18,667      |             |
| Interest paid                                                              |               | (23)     |           | -           |             |
|                                                                            |               |          |           |             |             |
| <b>Net cash inflow for returns on investments and servicing of finance</b> |               |          | 4,959     |             | 18,667      |
| <b>Taxation</b>                                                            |               |          | (300,000) |             | (156,683)   |
| <b>Capital expenditure and financial investment</b>                        |               |          |           |             |             |
| Payments to acquire tangible assets                                        |               | (8,280)  |           | (39,121)    |             |
| Receipts from sales of investments                                         |               | (59,983) |           | -           |             |
|                                                                            |               |          |           |             |             |
| <b>Net cash outflow for capital expenditure</b>                            |               |          | (68,263)  |             | (39,121)    |
| <b>Equity dividends paid</b>                                               |               |          | (50,000)  |             | -           |
|                                                                            |               |          |           |             |             |
| <b>Net cash inflow before management of liquid resources and financing</b> |               |          | 2,636,165 |             | 457,426     |
| <b>Management of liquid resources</b>                                      |               |          |           |             |             |
| Current asset investments                                                  |               | 59,984   |           | -           |             |
|                                                                            |               |          | 59,984    |             | -           |
| <b>Financing</b>                                                           |               |          |           |             |             |
| Purchase of own shares                                                     |               | -        |           | (7,000,000) |             |
| Decrease in debt                                                           |               | -        |           | -           |             |
|                                                                            |               |          |           |             |             |
| <b>Net cash outflow from financing</b>                                     |               |          | -         |             | (7,000,000) |
| <b>Increase/(decrease) in cash in the year</b>                             | <b>21, 22</b> |          | 2,696,149 |             | (6,542,574) |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

---

### 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 2014

|          |                                                                  |                   |                   |
|----------|------------------------------------------------------------------|-------------------|-------------------|
| <b>2</b> | <b>Operating profit</b>                                          | <b>2014</b>       | <b>2013</b>       |
|          |                                                                  | <b>£</b>          | <b>£</b>          |
|          | Operating profit is stated after charging:                       |                   |                   |
|          | Depreciation of tangible assets                                  | 148,183           | 172,523           |
|          | Operating lease rentals                                          |                   |                   |
|          | - Plant and machinery                                            | 13,801            | 9,035             |
|          | Auditors' remuneration (including expenses and benefits in kind) | 8,000             | 9,000             |
|          |                                                                  | <u>          </u> | <u>          </u> |
| <b>3</b> | <b>Investment income</b>                                         | <b>2014</b>       | <b>2013</b>       |
|          |                                                                  | <b>£</b>          | <b>£</b>          |
|          | Income from fixed asset investments                              | (50,309)          | 7,116             |
|          | Bank interest                                                    | 4,982             | 17,653            |
|          | Other interest                                                   | -                 | 1,014             |
|          |                                                                  | <u>          </u> | <u>          </u> |
|          |                                                                  | (45,327)          | 25,783            |
|          |                                                                  | <u>          </u> | <u>          </u> |
| <b>4</b> | <b>Interest payable</b>                                          | <b>2014</b>       | <b>2013</b>       |
|          |                                                                  | <b>£</b>          | <b>£</b>          |
|          | Other interest                                                   | 23                | -                 |
|          |                                                                  | <u>          </u> | <u>          </u> |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| 5 | Taxation                                                                                                                  | 2014     | 2013    |
|---|---------------------------------------------------------------------------------------------------------------------------|----------|---------|
|   |                                                                                                                           | £        | £       |
|   | <b>Domestic current year tax</b>                                                                                          |          |         |
|   | U.K. corporation tax                                                                                                      | 54,046   | 135,897 |
|   | <b>Total current tax</b>                                                                                                  | 54,046   | 135,897 |
|   | <b>Deferred tax</b>                                                                                                       |          |         |
|   | Origination and reversal of timing differences                                                                            | (12,339) | 2,010   |
|   |                                                                                                                           | 41,707   | 137,907 |
|   | <b>Factors affecting the tax charge for the year</b>                                                                      |          |         |
|   | Profit on ordinary activities before taxation                                                                             | 100,609  | 480,550 |
|   | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 22.10%) | 20,122   | 106,202 |
|   | Effects of:                                                                                                               |          |         |
|   | Non deductible expenses                                                                                                   | 2,272    | 2,255   |
|   | Depreciation add back                                                                                                     | 29,637   | 38,133  |
|   | Capital allowances                                                                                                        | (8,047)  | (9,120) |
|   | Chargeable disposals                                                                                                      | 11,997   | -       |
|   | Dividends and distributions received                                                                                      | (1,935)  | (1,573) |
|   |                                                                                                                           | 33,924   | 29,695  |
|   | <b>Current tax charge for the year</b>                                                                                    | 54,046   | 135,897 |
| 6 | Dividends                                                                                                                 | 2014     | 2013    |
|   |                                                                                                                           | £        | £       |
|   | Ordinary interim paid                                                                                                     | 50,000   | -       |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 7 Tangible fixed assets

|                          | Land and<br>buildings<br>Freehold | Plant and<br>machinery | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total      |
|--------------------------|-----------------------------------|------------------------|--------------------------------------|-------------------|------------|
|                          | £                                 | £                      | £                                    | £                 | £          |
| <b>Cost or valuation</b> |                                   |                        |                                      |                   |            |
| At 1 January 2014        | 8,989,864                         | 2,991,725              | 544,294                              | 861,265           | 13,387,148 |
| Additions                | -                                 | 8,280                  | -                                    | -                 | 8,280      |
| Revaluation              | 7,215,136                         | -                      | -                                    | -                 | 7,215,136  |
| At 31 December 2014      | 16,205,000                        | 3,000,005              | 544,294                              | 861,265           | 20,610,564 |
| <b>Depreciation</b>      |                                   |                        |                                      |                   |            |
| At 1 January 2014        | 138,750                           | 2,846,232              | 442,434                              | 713,486           | 4,140,902  |
| Revaluation              | (185,000)                         | -                      | -                                    | -                 | (185,000)  |
| Charge for the year      | 46,250                            | 14,963                 | 52,775                               | 34,195            | 148,183    |
| At 31 December 2014      | -                                 | 2,861,195              | 495,209                              | 747,681           | 4,104,085  |
| <b>Net book value</b>    |                                   |                        |                                      |                   |            |
| At 31 December 2014      | 16,205,000                        | 138,810                | 49,085                               | 113,584           | 16,506,479 |
| At 31 December 2013      | 8,851,114                         | 145,493                | 101,860                              | 147,779           | 9,246,246  |

The land and buildings were independently valued at 31 December 2014 by Stephens McBride, Chartered Surveyors on the basis of open market value for existing use value. The valuations comprise owner occupied land & buildings £2,855,000 and investment properties £13,350,000.

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

|                                         | £         |
|-----------------------------------------|-----------|
| <b>Cost</b>                             |           |
| At 1 January 2014 & at 31 December 2014 | 4,719,311 |
| <b>Depreciation based on cost</b>       |           |
| At 1 January 2014                       | 456,140   |
| Charge for the year                     | 32,712    |
| At 31 December 2014                     | 488,852   |
| <b>Net book value</b>                   |           |
| At 31 December 2014                     | 4,230,459 |
| At 31 December 2013                     | 4,263,171 |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

|           |                                                       |                    |             |
|-----------|-------------------------------------------------------|--------------------|-------------|
| <b>7</b>  | <b>Tangible fixed assets</b>                          | <b>(Continued)</b> |             |
| <b>8</b>  | <b>Stocks</b>                                         | <b>2014</b>        | <b>2013</b> |
|           |                                                       | <b>£</b>           | <b>£</b>    |
|           | Finished goods and goods for resale                   | 5,021,462          | 6,158,798   |
| <b>9</b>  | <b>Debtors</b>                                        | <b>2014</b>        | <b>2013</b> |
|           |                                                       | <b>£</b>           | <b>£</b>    |
|           | Trade debtors                                         | 3,735,835          | 5,862,942   |
|           | Corporation tax                                       | 345,057            | 99,103      |
|           | Other debtors                                         | 208,978            | 274,039     |
|           | Prepayments and accrued income                        | 48,590             | 50,910      |
|           |                                                       | 4,338,460          | 6,286,994   |
| <b>10</b> | <b>Current asset investments</b>                      | <b>2014</b>        | <b>2013</b> |
|           |                                                       | <b>£</b>           | <b>£</b>    |
|           | Listed investments                                    | 176,109            | 236,093     |
|           | Market valuation of listed investments                | 181,197            | 176,767     |
| <b>11</b> | <b>Creditors: amounts falling due within one year</b> | <b>2014</b>        | <b>2013</b> |
|           |                                                       | <b>£</b>           | <b>£</b>    |
|           | Bank loans and overdrafts                             | 77                 | -           |
|           | Trade creditors                                       | 1,610,166          | 2,092,685   |
|           | Taxes and social security costs                       | 81,074             | 152,578     |
|           | Directors' current accounts                           | 1,326              | -           |
|           | Other creditors                                       | 64,467             | 80,992      |
|           | Accruals and deferred income                          | 40,480             | 57,429      |
|           |                                                       | 1,797,590          | 2,383,684   |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 12 Provisions for liabilities

|                             | Deferred tax liability<br>£ |
|-----------------------------|-----------------------------|
| Balance at 1 January 2014   | 41,710                      |
| Profit and loss account     | (12,339)                    |
| Balance at 31 December 2014 | <u>29,371</u>               |

The deferred tax liability is made up as follows:

|                                | 2014<br>£     | 2013<br>£     |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>29,371</u> | <u>41,710</u> |

### 13 Share capital

|                                    | 2014<br>£ | 2013<br>£ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid |           |           |
| 68 Ordinary of £1 each             | <u>68</u> | <u>68</u> |

### 14 Statement of movements on reserves

|                                                 | Revaluation reserve<br>£ | Other reserves<br>(see below)<br>£ | Profit and loss account<br>£ |
|-------------------------------------------------|--------------------------|------------------------------------|------------------------------|
| Balance at 1 January 2014                       | 3,246,009                | 34                                 | 19,824,251                   |
| Profit for the year                             | -                        | -                                  | 58,902                       |
| Dividends paid                                  | -                        | -                                  | (50,000)                     |
| Revaluation during the year                     | 7,400,136                | -                                  | -                            |
| Balance at 31 December 2014                     | <u>10,646,145</u>        | <u>34</u>                          | <u>19,833,153</u>            |
| <b>Other reserves</b>                           |                          |                                    |                              |
| <b>Capital redemption reserve</b>               |                          |                                    |                              |
| Balance at 1 January 2014 & at 31 December 2014 |                          | <u>34</u>                          |                              |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| <b>15 Reconciliation of movements in shareholders' funds</b> | <b>2014</b>       | <b>2013</b>        |
|--------------------------------------------------------------|-------------------|--------------------|
|                                                              | <b>£</b>          | <b>£</b>           |
| Profit for the financial year                                | 58,902            | 342,643            |
| Dividends                                                    | (50,000)          | -                  |
|                                                              | <u>8,902</u>      | <u>342,643</u>     |
| Other recognised gains and losses                            | 7,400,136         | -                  |
| Purchase of own shares                                       | -                 | (7,000,000)        |
|                                                              | <u>7,409,038</u>  | <u>(6,657,357)</u> |
| Net addition to/(depletion in) shareholders' funds           | 23,070,362        | 29,727,719         |
| Opening shareholders' funds                                  | <u>30,479,400</u> | <u>23,070,362</u>  |
| Closing shareholders' funds                                  | <u>30,479,400</u> | <u>23,070,362</u>  |

### 16 Contingent liabilities

Following the completion of the purchase of own shares in March 2013 the company may be liable for certain professional fees. The quantum and liability of such fees is under negotiation but no provision has been made in the accounts.

### 17 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

|                                | <b>Other</b>  | <b>2013</b>  |
|--------------------------------|---------------|--------------|
|                                | <b>2014</b>   | <b>£</b>     |
|                                | <b>£</b>      | <b>£</b>     |
| Operating leases which expire: |               |              |
| Between two and five years     | <u>11,273</u> | <u>6,840</u> |

| <b>18 Directors' remuneration</b>    | <b>2014</b> | <b>2013</b>    |
|--------------------------------------|-------------|----------------|
|                                      | <b>£</b>    | <b>£</b>       |
| Remuneration for qualifying services | <u>-</u>    | <u>144,367</u> |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

### 19 Employees

#### Number of employees

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

|               | 2014<br>Number | 2013<br>Number |
|---------------|----------------|----------------|
| Directors     | 2              | 2              |
| Cost of Sales | 3              | 4              |
| Sales         | 3              | 3              |
| Admin         | 4              | 4              |
|               | <u>12</u>      | <u>13</u>      |

#### Employment costs

|                       | 2014<br>£      | 2013<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 376,882        | 562,098        |
| Social security costs | 44,160         | 63,855         |
|                       | <u>421,042</u> | <u>625,953</u> |

### 20 Reconciliation of operating profit to net cash outflow from operating activities

|                                                  | 2014<br>£               | 2013<br>£             |
|--------------------------------------------------|-------------------------|-----------------------|
| Operating profit                                 | 145,959                 | 454,767               |
| Depreciation of tangible assets                  | 148,183                 | 172,523               |
| Decrease in stocks                               | 1,137,336               | 360,481               |
| Decrease/(increase) in debtors                   | 2,204,162               | (208,235)             |
| Decrease in creditors within one year            | (586,171)               | (144,973)             |
| <b>Net cash inflow from operating activities</b> | <u><b>3,049,469</b></u> | <u><b>634,563</b></u> |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

| 21 | Analysis of net funds                                    | 1 January<br>2014<br>£ | Cash flow<br>£   | Other non-<br>cash changes<br>£ | 31 December<br>2014<br>£ |
|----|----------------------------------------------------------|------------------------|------------------|---------------------------------|--------------------------|
|    | Net cash:                                                |                        |                  |                                 |                          |
|    | Cash at bank and in hand                                 | 3,567,625              | 2,696,226        | -                               | 6,263,851                |
|    | Bank overdrafts                                          | -                      | (77)             | -                               | (77)                     |
|    |                                                          | <u>3,567,625</u>       | <u>2,696,149</u> | <u>-</u>                        | <u>6,263,774</u>         |
|    | Liquid resources:                                        |                        |                  |                                 |                          |
|    | Current asset investments                                | 236,093                | (59,984)         | -                               | 176,109                  |
|    | <b>Net funds</b>                                         | <u>3,803,718</u>       | <u>2,636,165</u> | <u>-</u>                        | <u>6,439,883</u>         |
| 22 | Reconciliation of net cash flow to movement in net funds |                        |                  | 2014<br>£                       | 2013<br>£                |
|    | Increase/(decrease) in cash in the year                  |                        |                  | 2,696,149                       | (6,542,574)              |
|    | Cash inflow from decrease in liquid resources            |                        |                  | (59,984)                        | -                        |
|    | <b>Movement in net funds in the year</b>                 |                        |                  | <u>2,636,165</u>                | <u>(6,542,574)</u>       |
|    | Opening net funds                                        |                        |                  | 3,803,718                       | 10,346,292               |
|    | <b>Closing net funds</b>                                 |                        |                  | <u>6,439,883</u>                | <u>3,803,718</u>         |

# EUROPEAN STEEL SHEETS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 23 Related party relationships and transactions

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

| Description        | %<br>Rate | Opening<br>Balance<br>£ | Amounts<br>Advanced<br>£ | Interest<br>Charged<br>£ | Amounts<br>Repaid<br>£ | Closing<br>Balance<br>£ |
|--------------------|-----------|-------------------------|--------------------------|--------------------------|------------------------|-------------------------|
| Interest free loan | -         | 98,729                  | 48,323                   | -                        | (125,000)              | 22,052                  |
| Interest free loan | -         | 98,683                  | 24,991                   | -                        | (125,000)              | (1,326)                 |
|                    |           | <u>197,412</u>          | <u>73,314</u>            | <u>-</u>                 | <u>(250,000)</u>       | <u>20,726</u>           |

S L Broadhurst and D W Broadhurst are shareholders in Galvanised Sheets & Coil Limited. During the year the company made sales of £68,932 to and received rent of £78,000 from Galvanised Sheets and Coil Limited. The company also purchased good of £178,198 from Galvanised Sheets and Coil Limited during the year.

Trade debtors include £125,962 due from Galvanised Sheets & Coil Limited.

Trade creditors include £465,869 due to Galvanised Sheets & Coil Limited.