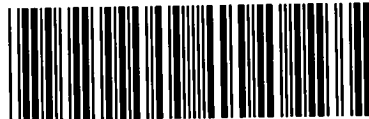


Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2018
for
EUROPEAN STEEL SHEETS LIMITED

SATURDAY



A8EYQVUP

A36

28/09/2019

#321

COMPANIES HOUSE

EUROPEAN STEEL SHEETS LIMITED

Contents of the Financial Statements
for the year ended 31 December 2018

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13

EUROPEAN STEEL SHEETS LIMITED

Company Information
for the year ended 31 December 2018

Directors: D Broadhurst
Ms S Broadhurst

Secretary: Ms S Broadhurst

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

Registered number: 06436498 (England and Wales)

Auditors: Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

EUROPEAN STEEL SHEETS LIMITED

Strategic Report for the year ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Review of business

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.

Principal risks and uncertainties

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.

Development and performance

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 increased by 12.0% compared to the previous period. Gross margin has decreased to 18.32% (2017 19.42%).

Overall there has been an operating profit of £2,391,734 (2017 £1,965,572) and a profit before tax of £4,799,719 (2017 £1,978,699). Profit before tax includes a surplus arising on the revaluation of investment properties of £2,380,090. After taxation, £3,878,785 has been added to reserves

Return on capital employed has increased to 6.7% (2017 5.8%). Return on capital employed is calculated as profit before surplus arising on revaluation, exceptional items, interest and tax divided by capital employed, which constitutes total assets less current liabilities.

On behalf of the board:


.....
D Broadhurst - Director

Date: 26/9/19

EUROPEAN STEEL SHEETS LIMITED

Report of the Directors for the year ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

Principal activity

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

Dividends

No dividends will be distributed for the year ended 31 December 2018.

Directors

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

D Broadhurst
Ms S Broadhurst

Financial instruments

Credit risk

Investments of cash surpluses are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Charitable donations

During the year the company made charitable donations of £9,600.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

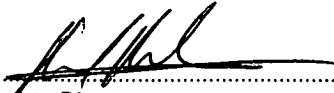
EUROPEAN STEEL SHEETS LIMITED

Report of the Directors
for the year ended 31 December 2018

Auditors

Michael Kay & Company Limited were acquired by Haines Watts Birmingham LLP during the year. As a consequence Michael Kay & Company Limited resigned as auditor and Haines Watts Birmingham LLP were appointed in their place. In accordance with section 485 of the Companies Act 2006, a resolution proposing that Haines Watts Birmingham LLP be re-appointed as auditor will be put to the Annual General Meeting.

On behalf of the board:


.....
D Broadhurst - Director

Date: 26/9/19.
.....

Report of the Independent Auditors to the Members of
European Steel Sheets Limited

Opinion

We have audited the financial statements of European Steel Sheets Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
European Steel Sheets Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Jones (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

27 September 2019

EUROPEAN STEEL SHEETS LIMITED

**Income Statement
for the year ended 31 December 2018**

	Notes	2018 £	2017 £
Turnover		20,423,700	18,216,996
Cost of sales		(16,681,174)	(14,679,914)
Gross profit		3,742,526	3,537,082
Distribution costs		(158,855)	(227,680)
Administrative expenses		(1,851,220)	(2,008,474)
		1,732,451	1,300,928
Other operating income		659,283	664,644
Operating profit	4	2,391,734	1,965,572
Income from fixed asset investments		13,236	11,497
Interest receivable and similar income		14,659	2,451
		2,419,629	1,979,520
Surplus arising on revaluation		2,380,090	-
		4,799,719	1,979,520
Interest payable and similar expenses	5	-	(821)
Profit before taxation		4,799,719	1,978,699
Tax on profit	6	(920,934)	(458,942)
Profit for the financial year		3,878,785	1,519,757

The notes form part of these financial statements

EUROPEAN STEEL SHEETS LIMITED

Other Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 £	2017 £
Profit for the year		3,878,785	1,519,757
Other comprehensive income			
Unrealised surplus on revaluation		234,200	-
Income tax relating to other comprehensive income		(44,716)	-
Other comprehensive income for the year, net of income tax		189,484	-
Total comprehensive income for the year		4,068,269	1,519,757

The notes form part of these financial statements

Balance Sheet
31 December 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	7		3,407,285		3,165,922
Investment property	8		16,545,000		13,489,166
			<u>19,952,285</u>		<u>16,655,088</u>
Current assets					
Stocks	9	5,667,224		6,631,807	
Debtors	10	5,857,852		5,404,745	
Investments	11	206,847		206,847	
Cash at bank and in hand		8,235,911		7,195,878	
		<u>19,967,834</u>		<u>19,439,277</u>	
Creditors					
Amounts falling due within one year	12	1,422,582		2,173,117	
			<u>18,545,252</u>		<u>17,266,160</u>
Net current assets					
			<u>38,497,537</u>		<u>33,921,248</u>
Total assets less current liabilities					
Provisions for liabilities	14	2,335,570		1,827,550	
			<u>36,161,967</u>		<u>32,093,698</u>
Net assets					
Capital and reserves					
Called up share capital	15		68		68
Revaluation reserve	16	2,274,514		2,085,030	
Capital redemption reserve	16		34		34
Retained earnings	16	33,887,351		30,008,566	
			<u>36,161,967</u>		<u>32,093,698</u>
Shareholders' funds					

The financial statements were approved by the Board of Directors on 26/9/19 and were signed on its behalf by:


D' Broadhurst - Director

EUROPEAN STEEL SHEETS LIMITED

Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2017	68	28,488,809	2,085,030	34	30,573,941
Changes in equity					
Total comprehensive income	-	1,519,757	-	-	1,519,757
Balance at 31 December 2017	68	30,008,566	2,085,030	34	32,093,698
Changes in equity					
Total comprehensive income	-	3,878,785	189,484	-	4,068,269
Balance at 31 December 2018	68	33,887,351	2,274,514	34	36,161,967

The notes form part of these financial statements

EUROPEAN STEEL SHEETS LIMITED

**Cash Flow Statement
for the year ended 31 December 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	2,250,110	(683,418)
Finance costs paid		-	(821)
Tax paid		(535,000)	(651,405)
Net cash from operating activities		1,715,110	(1,335,644)
Cash flows from investing activities			
Purchase of tangible fixed assets		(103,553)	(154,317)
Purchase of investment property		(675,744)	(264,166)
Sale of tangible fixed assets		5,000	2,000
Interest received		14,659	2,451
Dividends received		13,236	11,497
Net cash from investing activities		(746,402)	(402,535)
Cash flows from financing activities			
Amount introduced by directors		71,325	45,300
Amount withdrawn by directors		-	(34,631)
Net cash from financing activities		71,325	10,669
Increase/(decrease) in cash and cash equivalents		1,040,033	(1,727,510)
Cash and cash equivalents at beginning of year	2	7,195,878	8,923,388
Cash and cash equivalents at end of year	2	8,235,911	7,195,878

The notes form part of these financial statements

EUROPEAN STEEL SHEETS LIMITED

**Notes to the Cash Flow Statement
for the year ended 31 December 2018**

1. Reconciliation of profit before taxation to cash generated from operations

	2018	2017
	£	£
Profit before taxation	4,799,719	1,978,699
Depreciation charges	94,247	81,443
(Profit)/loss on disposal of fixed assets	(2,857)	36
Gain on revaluation of fixed assets	(2,380,090)	-
Finance costs	-	821
Finance income	(27,895)	(13,948)
	2,483,124	2,047,051
Decrease/(increase) in stocks	964,583	(2,454,824)
(Increase)/decrease in trade and other debtors	(518,872)	255,772
Decrease in trade and other creditors	(678,725)	(531,417)
Cash generated from operations	2,250,110	(683,418)

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	8,235,911	7,195,878

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	7,195,878	8,924,537
Bank overdrafts	-	(1,149)
	7,195,878	8,923,388

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements for the year ended 31 December 2018

1. **Statutory information**

European Steel Sheets Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Asset valuation

Asset impairment reviews and calculations require the exercise of judgement by the directors which may include references to market conditions, general economic conditions and recent trends in the business.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income is recognised on a straight line basis over the course of the lease.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property - 1% straight line
Plant and machinery - 10% reducing balance
Fixtures and fittings - 20% on cost
Motor vehicles - 25% reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

2. Accounting policies - continued

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. Employees and directors

	2018	2017
	£	£
Wages and salaries	599,408	496,020
Social security costs	75,611	59,872
Other pension costs	5,659	2,999
	<u>680,678</u>	<u>558,891</u>

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

	2018	2017
Directors	2	2
Direct labour	4	4
Sales	3	3
Administration	4	5
	<u>13</u>	<u>14</u>

	2018	2017
	£	£
Directors' remuneration	<u>151,943</u>	<u>63,210</u>

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

4. Operating profit

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Other operating leases	29,465	19,349
Depreciation - owned assets	94,247	81,443
(Profit)/loss on disposal of fixed assets	(2,857)	36
Auditors' remuneration	9,000	9,000

5. Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable	-	821

6. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	457,630	369,905
Deferred tax:		
Deferred tax	11,087	89,037
Deferred tax on revaluation	452,217	-
Total deferred tax	463,304	89,037
Tax on profit	920,934	458,942

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	4,799,719	1,978,699
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	911,947	380,900
Effects of:		
Expenses not deductible for tax purposes	5,477	5,508
Income not taxable for tax purposes	(2,152)	(2,213)
Adjustments to tax charge in respect of previous periods	-	69,012
Depreciation on assets not qualifying for capital allowances	5,662	5,735
Total tax charge	920,934	458,942

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

6. Taxation - continued

Tax effects relating to effects of other comprehensive income

	Gross	Tax	2018
	£	£	Net
			£
Unrealised surplus on revaluation	<u>234,200</u>	<u>(44,716)</u>	<u>189,484</u>

7. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost or valuation					
At 1 January 2018	2,980,000	3,003,937	544,294	591,785	7,120,016
Additions	-	-	5,798	97,755	103,553
Disposals	-	-	-	(23,895)	(23,895)
Revaluations	<u>115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,000</u>
At 31 December 2018	<u>3,095,000</u>	<u>3,003,937</u>	<u>550,092</u>	<u>665,645</u>	<u>7,314,674</u>
Depreciation					
At 1 January 2018	89,400	2,897,294	544,210	423,190	3,954,094
Charge for year	29,800	10,663	481	53,303	94,247
Eliminated on disposal	-	-	-	(21,752)	(21,752)
Revaluation adjustments	<u>(119,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,200)</u>
At 31 December 2018	<u>-</u>	<u>2,907,957</u>	<u>544,691</u>	<u>454,741</u>	<u>3,907,389</u>
Net book value					
At 31 December 2018	<u>3,095,000</u>	<u>95,980</u>	<u>5,401</u>	<u>210,904</u>	<u>3,407,285</u>
At 31 December 2017	<u>2,890,600</u>	<u>106,643</u>	<u>84</u>	<u>168,595</u>	<u>3,165,922</u>

The freehold land and buildings were independently valued at 31 December 2018 by Stephens McBride, Chartered Surveyors on the basis of open market value for existing use value. The surplus on revaluation of £234,200 has been credited to revaluation reserve.

8. Investment property

	Total £
Fair value	
At 1 January 2018	13,489,166
Additions	675,744
Revaluations	<u>2,380,090</u>
At 31 December 2018	<u>16,545,000</u>
Net book value	
At 31 December 2018	<u>16,545,000</u>
At 31 December 2017	<u>13,489,166</u>

Investment property comprises a large portfolio of mostly freehold commercial land and property with a combined value of £16,545,000. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2018 by Stephens McBride Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The surplus arising on revaluation of £2,380,090 has been recognised in the income statement.

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

8. Investment property - continued

Fair value at 31 December 2018 is represented by:

Valuation in 2018	£ 16,545,000
-------------------	------------------------

If investment property had not been revalued it would have been included at the following historical cost:

	2018	2017
	£	£
Cost	5,603,795	4,928,051

9. Stocks	2018	2017
	£	£
Goods held for sale	5,667,224	6,631,807

10. Debtors: amounts falling due within one year	2018	2017
	£	£
Trade debtors	5,619,722	5,095,442
Other debtors	139,847	155,540
Corporation tax repayable	5,513	5,513
Directors' current accounts	17,591	83,356
Prepayments and accrued income	75,179	64,894
	5,857,852	5,404,745

11. Current asset investments	2018	2017
	£	£
Listed investments	206,847	206,847

Market value of listed investments at 31 December 2018 - £189,951 (2017 - £181,197).

12. Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	938,030	1,739,295
Tax	12,535	89,905
Social security and other taxes	53,955	28,512
VAT	198,225	109,510
Other creditors	86,226	88,975
Directors' current accounts	5,560	-
Accruals and deferred income	128,051	116,920
	1,422,582	2,173,117

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

13. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	20,837	3,821
Between one and five years	31,350	955
	<u>52,187</u>	<u>4,776</u>

14. Provisions for liabilities

	2018	2017
	£	£
Deferred tax	<u>2,335,570</u>	<u>1,827,550</u>

	Deferred tax £
Balance at 1 January 2018	1,827,550
Provided during year	463,304
Revaluation reserve	44,716
Balance at 31 December 2018	<u>2,335,570</u>

15. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
68	Ordinary shares	£1	<u>68</u>	<u>68</u>

16. Reserves

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2018	30,008,566	2,085,030	34	32,093,630
Profit for the year	3,878,785			3,878,785
Revaluation in the year	-	234,200	-	234,200
Deferred tax arising	-	(44,716)	-	(44,716)
At 31 December 2018	<u>33,887,351</u>	<u>2,274,514</u>	<u>34</u>	<u>36,161,899</u>

17. Directors' advances, credits and guarantees

The following advances and credits to directors subsisted during the years ended 31 December 2018 and 31 December 2017:

	2018	2017
	£	£
D Broadhurst		
Balance outstanding at start of year	48,725	60,197
Amounts advanced	63,866	95,528
Amounts repaid	(95,000)	(107,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>17,591</u>	<u>48,725</u>

EUROPEAN STEEL SHEETS LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

17. Directors' advances, credits and guarantees - continued

Ms S Broadhurst

Balance outstanding at start of year	34,631	39,341
Amounts advanced	29,809	76,290
Amounts repaid	(70,000)	(81,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(5,560)</u>	<u>34,631</u>

18. Remuneration trust

The company made a contribution in the accounting period to a Remuneration Trust in the amount of £600,000 (2017 £900,000). The terms of the trust are set out in a trust deed executed by the company and the original trustees.