

EUROPEAN STEEL SHEETS LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

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FOR THE YEAR ENDED 31 DECEMBER 2023

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EUROPEAN STEEL SHEETS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTOR:	D W Broadhurst
REGISTERED OFFICE:	Jean Broadhurst Works Doris Road Bordesley Green Birmingham West Midlands B9 4SJ
REGISTERED NUMBER:	06436498 (England and Wales)
AUDITORS:	Sephton & Company LLP Chartered Certified Accountants Statutory Auditors Marston House 5 Elmdon Lane Marston Green Solihull West Midlands B37 7DL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The director presents his strategic report for the year ended 31 December 2023.

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 business 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.

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

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits, trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

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

DEVELOPMENT AND PERFORMANCE

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

Turnover has decreased by 15.86% compared to the previous period. Gross margin has decreased to 18.51% (2022 26.03%).

Overall there has been an operating profit of £1,313,170 (2022 £2,417,048) and a profit before tax of £1,585,405 (2022 £10,166,760). After taxation £59,721 has been added to the reserves.

Return on capital employed has decreased to 2.9% (2022 4.5%). 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 W Broadhurst - Director

19 September 2024

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2023**

The director presents his report with the financial statements of the company for the year ended 31 December 2023.

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 2023.

DIRECTOR

D W Broadhurst held office during the whole of the period from 1 January 2023 to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made during the year.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

D W Broadhurst - Director

19 September 2024

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 2023 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 2023 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 this gives rise to a material misstatement in the financial statements themselves. 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EUROPEAN STEEL SHEETS LIMITED**

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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROPEAN STEEL SHEETS LIMITED

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the entity that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, Health & Safety, Fire regulations and drivers hours and working time rules.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example we requested the tachograph reports to verify the drivers were adhering to the regulations.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We also completed the following procedures:

Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results;

Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be depreciation, revaluations and going concern.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EUROPEAN STEEL SHEETS LIMITED**

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.

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

19 September 2024

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
TURNOVER	3		19,599,407		23,296,046
Cost of sales			15,972,290		17,232,451
GROSS PROFIT			3,627,117		6,063,595
Distribution costs		351,705		322,084	
Administrative expenses		3,063,324		4,306,975	
			3,415,029		4,629,059
			212,088		1,434,536
Other operating income			1,101,082		982,512
OPERATING PROFIT	5		1,313,170		2,417,048
Investment income		14,318		9,034	
Interest receivable and similar income		277,979		33,840	
			292,297		42,874
			1,605,467		2,459,922
Amounts written off investments	6	20,062		-	
Gain/loss on revaluation of investment property		-		(7,706,838)	
			20,062		(7,706,838)
PROFIT BEFORE TAXATION			1,585,405		10,166,760
Tax on profit	7		1,525,684		2,122,903
PROFIT FOR THE FINANCIAL YEAR			59,721		8,043,857

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023	2022
Notes	£	£
PROFIT FOR THE YEAR	59,721	8,043,857
OTHER COMPREHENSIVE INCOME		
Revaluation of Land & Buildings	(40,000)	997,850
Income tax relating to other comprehensive income	<u>(175,302)</u>	<u>(189,591)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(215,302)</u>	<u>808,259</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(155,581)</u></u>	<u><u>8,852,116</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	8		4,083,739		4,157,820
Investments	9		-		-
Investment property	10		<u>24,605,000</u>		<u>24,605,000</u>
			28,688,739		28,762,820
CURRENT ASSETS					
Stocks	11	8,596,622		6,061,546	
Debtors	12	7,408,007		5,682,703	
Investments	13	166,785		186,847	
Cash at bank and in hand	14	<u>12,458,098</u>		<u>15,338,647</u>	
		28,629,512		27,269,743	
CREDITORS					
Amounts falling due within one year	15	<u>2,268,123</u>		<u>2,121,038</u>	
NET CURRENT ASSETS			<u>26,361,389</u>		<u>25,148,705</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			55,050,128		53,911,525
PROVISIONS FOR LIABILITIES	19		<u>5,452,400</u>		<u>4,158,215</u>
NET ASSETS			<u><u>49,597,728</u></u>		<u><u>49,753,310</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		68		68
Revaluation reserve	21		2,286,272		3,082,773
Capital redemption reserve	21		34		34
Retained earnings	21		<u>47,311,354</u>		<u>46,670,435</u>
SHAREHOLDERS' FUNDS			<u><u>49,597,728</u></u>		<u><u>49,753,310</u></u>

The financial statements were approved by the director and authorised for issue on 19 September 2024 and were signed by:

D W Broadhurst - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2022	68	38,626,578	2,274,514	34	40,901,194
Changes in equity					
Total comprehensive income	-	8,043,857	808,259	-	8,852,116
Balance at 31 December 2022	68	46,670,435	3,082,773	34	49,753,310
Changes in equity					
Total comprehensive income	-	640,919	(796,501)	-	(155,582)
Balance at 31 December 2023	68	47,311,354	2,286,272	34	49,597,728

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(2,021,304)	4,663,206
Tax paid		<u>(1,064,999)</u>	<u>(1,045,359)</u>
Net cash from operating activities		<u>(3,086,303)</u>	<u>3,617,847</u>
Cash flows from investing activities			
Interest received		277,979	33,840
Dividends received		<u>14,318</u>	<u>9,034</u>
Net cash from investing activities		<u>292,297</u>	<u>42,874</u>
Cash flows from financing activities			
Amount introduced by directors		-	897,899
Amount withdrawn by directors		<u>(52,693)</u>	<u>(323,909)</u>
Net cash from financing activities		<u>(52,693)</u>	<u>573,990</u>
(Decrease)/increase in cash and cash equivalents		<u>(2,846,699)</u>	<u>4,234,711</u>
Cash and cash equivalents at beginning of year	2	15,304,797	11,070,086
Cash and cash equivalents at end of year	2	<u>12,458,098</u>	<u>15,304,797</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Profit before taxation	1,585,405	10,166,760
Depreciation charges	30,889	57,704
Loss on disposal of fixed assets	3,191	-
Gain on revaluation of fixed assets	-	(7,706,838)
Loss on revaluation of investments	20,062	-
Finance income	(292,297)	(42,874)
	<u>1,347,250</u>	<u>2,474,752</u>
Increase in stocks	(2,535,076)	(381,496)
(Increase)/decrease in trade and other debtors	(976,033)	1,165,083
Increase in trade and other creditors	142,555	1,404,867
Cash generated from operations	<u><u>(2,021,304)</u></u>	<u><u>4,663,206</u></u>

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 2023

	31/12/23 £	1/1/23 £
Cash and cash equivalents	12,458,098	15,338,647
Bank overdrafts	-	(33,850)
	<u><u>12,458,098</u></u>	<u><u>15,304,797</u></u>

Year ended 31 December 2022

	31/12/22 £	1/1/22 £
Cash and cash equivalents	15,338,647	11,123,729
Bank overdrafts	(33,850)	(53,643)
	<u><u>15,304,797</u></u>	<u><u>11,070,086</u></u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/23 £	Cash flow £	At 31/12/23 £
Net cash			
Cash at bank and in hand	15,338,647	(2,880,549)	12,458,098
Bank overdrafts	(33,850)	33,850	-
	<u>15,304,797</u>	<u>(2,846,699)</u>	<u>12,458,098</u>
Liquid resources			
Current asset investments	186,847	(20,062)	166,785
	<u>186,847</u>	<u>(20,062)</u>	<u>166,785</u>
Total	<u>15,491,644</u>	<u>(2,866,761)</u>	<u>12,624,883</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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

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

Land & buildings	- 1% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on 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.

Stocks

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued**Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances, loans to or from related parties and current asset investments. All such instruments are measured initially and subsequently at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment is recognised in the profit and loss account.

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. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
Steel sales	19,599,407	23,296,046
	<u>19,599,407</u>	<u>23,296,046</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	19,367,966	22,612,425
Europe	231,441	683,621
	<u>19,599,407</u>	<u>23,296,046</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	1,564,773	3,136,055
Social security costs	211,865	424,056
Other pension costs	8,735	8,850
	<u>1,785,373</u>	<u>3,568,961</u>

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

	2023	2022
Directors	1	1
Direct Labour	2	2
Sales	3	3
Administration	3	3
	<u>9</u>	<u>9</u>

	2023	2022
	£	£
Directors' remuneration	924,152	2,531,687
Directors' pension contributions to money purchase schemes	<u>1,321</u>	<u>1,321</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2023	2022
Money purchase schemes	<u>1</u>	<u>1</u>

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	924,152	2,474,131
Pension contributions to money purchase schemes	<u>1,321</u>	<u>1,321</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Other operating leases	46,982	54,208
Depreciation - owned assets	70,889	57,704
Loss on disposal of fixed assets	3,191	-
Auditors' remuneration	10,000	9,000
Foreign exchange differences	<u>2</u>	<u>-</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2023	2022
	£	£
Change in market value	<u>20,062</u>	<u>-</u>

7. TAXATION**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	406,802	483,653
Deferred tax	1,118,882	1,639,250
Tax on profit	<u>1,525,684</u>	<u>2,122,903</u>

UK corporation tax has been charged at 25% (2022 - 19%).

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:

	2023	2022
	£	£
Profit before tax	<u>1,585,405</u>	<u>10,166,760</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	396,351	1,931,684
Effects of:		
Expenses not deductible for tax purposes	31,502	7,388
Income not taxable for tax purposes	(3,580)	(1,715)
Depreciation in excess of capital allowances	8,116	10,595
Adjustments to tax charge in respect of previous periods	-	174,951
Change in rate during the period	1,093,295	-
Total tax charge	<u>1,525,684</u>	<u>2,122,903</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

7. TAXATION - continued**Tax effects relating to effects of other comprehensive income**

	2023		
	Gross £	Tax £	Net £
Revaluation of Land & Buildings	<u>(40,000)</u>	<u>(175,302)</u>	<u>(215,302)</u>
	2022		
	Gross £	Tax £	Net £
Revaluation of Land & Buildings	<u>997,850</u>	<u>(189,591)</u>	<u>808,259</u>

8. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2023	4,000,000	3,003,937	557,393	483,290	8,044,620
Disposals	<u>-</u>	<u>(2,714,095)</u>	<u>(550,092)</u>	<u>(196,585)</u>	<u>(3,460,772)</u>
At 31 December 2023	<u>4,000,000</u>	<u>289,842</u>	<u>7,301</u>	<u>286,705</u>	<u>4,583,848</u>
DEPRECIATION					
At 1 January 2023	16,667	2,940,960	551,155	378,018	3,886,800
Charge for year	40,000	5,837	2,136	22,916	70,889
Eliminated on disposal	<u>-</u>	<u>(2,713,622)</u>	<u>(550,006)</u>	<u>(193,952)</u>	<u>(3,457,580)</u>
At 31 December 2023	<u>56,667</u>	<u>233,175</u>	<u>3,285</u>	<u>206,982</u>	<u>500,109</u>
NET BOOK VALUE					
At 31 December 2023	<u>3,943,333</u>	<u>56,667</u>	<u>4,016</u>	<u>79,723</u>	<u>4,083,739</u>
At 31 December 2022	<u>3,983,333</u>	<u>62,977</u>	<u>6,238</u>	<u>105,272</u>	<u>4,157,820</u>

Cost or valuation at 31 December 2023 is represented by:

	Land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2014	1,965,830	-	-	-	1,965,830
Valuation in 2018	234,200	-	-	-	234,200
Valuation in 2022	905,000	-	-	-	905,000
Cost	<u>894,970</u>	<u>289,842</u>	<u>7,301</u>	<u>286,705</u>	<u>1,478,818</u>
	<u>4,000,000</u>	<u>289,842</u>	<u>7,301</u>	<u>286,705</u>	<u>4,583,848</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

8. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2023 £	2022 £
Cost	894,970	894,970
Aggregate depreciation	<u>449,786</u>	<u>449,786</u>
Value of land in freehold land and buildings	<u>94,970</u>	<u>94,970</u>

Freehold land and buildings were valued on an open market basis on 8 August 2022 by Stephens McBride Chartered Surveyors .

9. FIXED ASSET INVESTMENTS

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Eurobetta Steels Limited

Registered office: Doris Road, Bordesley Green, Birmingham, West Midlands, B9 4SJ

Nature of business: Steel Stockholders

	%		
Class of shares:	holding		
Ordinary	99.00		
		31.10.23	31.10.22
		£	£
Aggregate capital and reserves		1,612	64,212
Loss for the year		<u>(62,600)</u>	<u>-</u>

Eurobetta Steels Limited is dormant.

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2023	
and 31 December 2023	<u>24,605,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>24,605,000</u>
At 31 December 2022	<u>24,605,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

10. INVESTMENT PROPERTY - continued

Fair value at 31 December 2023 is represented by:

	£
Valuation in 2018	10,941,205
Valuation in 2022	7,706,838
Cost	5,956,957
	<u>24,605,000</u>

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

	2023 £	2022 £
Cost	<u>5,956,957</u>	<u>5,956,957</u>

Investment property was valued on an open market basis on 8 August 2022 by Stephens McBride Chartered Surveyors .

11. STOCKS

	2023 £	2022 £
Stocks	<u>8,596,622</u>	<u>6,061,546</u>

12. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	4,765,319	4,426,032
Other debtors	62,771	78,463
Amounts owed by connected companies	500	500
S Broadhurst Estate	728,422	667,790
Taxation	946,722	59,308
VAT	587,201	-
Prepayments and accrued income	<u>75,528</u>	<u>70,922</u>
	<u>7,166,463</u>	<u>5,303,015</u>
Amounts falling due after more than one year:		
Tax	<u>241,544</u>	<u>379,688</u>
Aggregate amounts	<u>7,408,007</u>	<u>5,682,703</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

13. CURRENT ASSET INVESTMENTS

	2023	2022
	£	£
Listed investments	<u>166,785</u>	<u>186,847</u>
Market value of listed investments at 31 December 2023 - £ 166,785 (2022 - £ 169,363).		

Listed investments were adjusted to fair value as at the balance sheet date.

14. CASH AT BANK AND IN HAND

	2023	2022
	£	£
Share dealing account	163,479	146,000
Bank current account	4,834	-
Natwest special	672,815	168,495
Natwest liquidity	11,616,254	15,023,436
Cash in hand	716	716
	<u>12,458,098</u>	<u>15,338,647</u>

Cash at bank and in hand includes restricted cash amounting to £44,436 (2022 - £44,436) which relates to tenants deposits.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	-	33,850
Trade creditors	1,480,842	373,800
Credit card control account	-	245
Corporation tax	75,000	-
Social security and other taxes	428,715	1,360,484
VAT	-	139,276
Sundry creditors	44,436	44,436
Wages control account	117,342	-
Pension control account	344	257
Directors' current accounts	6,285	58,978
Accruals and deferred income	<u>115,159</u>	<u>109,712</u>
	<u>2,268,123</u>	<u>2,121,038</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>33,850</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

17. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	47,393	53,075
Between one and five years	46,847	56,904
	<u>94,240</u>	<u>109,979</u>

18. FINANCIAL INSTRUMENTS

As at the year end the carrying value of financial assets which are debt instruments carried at amortised cost was £5,557,012 (2022 £5,140,557).

As at the year end the carrying value of financial assets which are equity instruments carried at cost less impairment was £166,785 (2022 £186,847).

As at the year end the carrying value of financial liabilities which are debt instruments carried at amortised cost was £1,642,964 (2022 £323,626).

19. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax	<u>5,452,400</u>	<u>4,158,215</u>
		Deferred tax
		£
Balance at 1 January 2023		4,158,215
Charge to Income Statement during year		1,118,882
Charge to revaluation reserve		<u>175,303</u>
Balance at 31 December 2023		<u>5,452,400</u>

The provision for deferred taxation consists of £5,424,102 in estimated tax due on unrealised property revaluations, and £28,298 in respect of timing differences due to accelerated capital allowance claims. The provision for the capital allowances is expected to reverse by approximately £5,000 in the next period.

20. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2023	2022
			£	£
68	Ordinary	£1	<u>68</u>	<u>68</u>

Ordinary shares have full voting, dividend and capital return rights including on a winding up and are not redeemable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

21. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2023	46,670,435	3,082,773	34	49,753,242
Profit for the year	59,721			59,721
Property revaluation	-	(215,303)	-	(215,303)
Other movements	581,198	(581,198)	-	-
At 31 December 2023	<u>47,311,354</u>	<u>2,286,272</u>	<u>34</u>	<u>49,597,660</u>

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2023 and 31 December 2022:

	2023 £	2022 £
D W Broadhurst		
Balance outstanding at start of year	(58,978)	501,545
Amounts advanced	52,693	-
Amounts repaid	-	(560,523)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(6,285)</u>	<u>(58,978)</u>

The amounts are repayable on demand and no interest is charged.

23. RELATED PARTY DISCLOSURES**Entities with control, joint control or significant influence over the entity**

	2023 £	2022 £
Sales	595,353	308,831
Purchases	185,889	169,588
Rental charges	78,000	78,000
Amount due from related party	668,889	103,042
Amount due to related party	<u>17,465</u>	<u>11,559</u>

Amounts due from and to are unsecured.

Other related parties

	2023 £	2022 £
Amount due from related party	<u>728,422</u>	<u>667,790</u>

Amount due from is unsecured.

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