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REGISTERED NUMBER: SC205181 (Scotland)

Abbreviated Accounts for the Year Ended 30 November 2012

for

KELVIN STEELS LIMITED

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KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

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for the Year Ended 30 November 2012

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KELVIN STEELS LIMITED

Company Information
for the Year Ended 30 November 2012

DIRECTORS:

B F A Nugent
Mrs C R P Nugent
H B Nugent

SECRETARY:

W T Nugent

REGISTERED OFFICE:

Caledonia House
Thornliebank Industrial Estate
Glasgow
G46 8JT

REGISTERED NUMBER:

SC205181 (Scotland)

SENIOR STATUTORY AUDITOR: Robert Pollock BA CA

AUDITORS:

Sharles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

sharles

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Report of the Directors
for the Year Ended 30 November 2012

The directors present their report with the accounts of the company for the year ended 30 November 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution and wholesale of metals.

REVIEW OF BUSINESS

The directors are satisfied with the results of the company given the difficult market conditions within the steel industry.

DIVIDENDS

An interim dividend of £10,000 per share was paid on 31 October 2012. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 November 2012 will be £1,000,000.

DIRECTORS

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

B F A Nugent
Mrs C R P Nugent
H B Nugent

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Report of the Directors
for the Year Ended 30 November 2012

AUDITORS

The auditors, Charles Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



H B Nugent - Director X

17 June 2013



Report of the Independent Auditors to
Kelvin Steels Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to fourteen, together with the full financial statements of Kelvin Steels Limited for the year ended 30 November 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Robert Pollock BA CA (Senior Statutory Auditor)
for and on behalf of Sharles Audit Limited
Statutory Auditor
29 Brandon Street
Hamilton
ML3 6DA

17 June 2013

sharles

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Abbreviated Profit and Loss Account
for the Year Ended 30 November 2012

	Notes	2012 £	2011 £
TURNOVER		7,916,242	7,617,031
Cost of sales and other operating income		(6,011,054)	(6,046,214)
		1,905,188	1,570,817
Administrative expenses		1,142,152	1,172,883
OPERATING PROFIT	3	763,036	397,934
Interest receivable and similar income		2,364	1,292
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		765,400	399,226
Tax on profit on ordinary activities	4	189,026	73,774
PROFIT FOR THE FINANCIAL YEAR		576,374	325,452

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

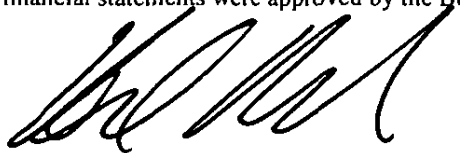
KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Abbreviated Balance Sheet
30 November 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	6	-	2,500
Tangible assets	7	<u>250,699</u>	<u>158,312</u>
		250,699	160,812
CURRENT ASSETS			
Stocks	8	710,916	692,727
Debtors	9	1,981,005	1,862,236
Cash at bank		<u>518,350</u>	<u>592,291</u>
		3,210,271	3,147,254
CREDITORS			
Amounts falling due within one year	10	<u>2,074,957</u>	<u>1,494,772</u>
NET CURRENT ASSETS		<u>1,135,314</u>	<u>1,652,482</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,386,013	1,813,294
PROVISIONS FOR LIABILITIES	12	<u>753,254</u>	<u>756,909</u>
NET ASSETS		<u><u>632,759</u></u>	<u><u>1,056,385</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Profit and loss account	14	<u>622,759</u>	<u>1,046,385</u>
SHAREHOLDERS' FUNDS	17	<u><u>632,759</u></u>	<u><u>1,056,385</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 17 June 2013 and were signed on its behalf by:



H B Nugent - Director X

The notes form part of these abbreviated accounts

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

**Cash Flow Statement
for the Year Ended 30 November 2012**

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	773,431	236,154
Returns on investments and servicing of finance	2	2,364	1,292
Taxation		(113,527)	(164,035)
Capital expenditure	2	(152,060)	(46,498)
Equity dividends paid		(1,000,000)	-
		(489,792)	26,913
Financing	2	415,851	452,246
(Decrease)/increase in cash in the period		(73,941)	479,159
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(73,941)	479,159
Change in net funds resulting from cash flows		(73,941)	479,159
Movement in net funds in the period		(73,941)	479,159
Net funds at 1 December		592,291	113,132
Net funds at 30 November		518,350	592,291

The notes form part of these abbreviated accounts

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

**Notes to the Cash Flow Statement
for the Year Ended 30 November 2012**

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

	2012	2011
	£	£
Operating profit	763,036	397,934
Depreciation charges	80,085	61,438
Profit on disposal of fixed assets	(17,912)	(5,566)
Increase in stocks	(18,189)	(35,036)
Increase in debtors	(123,038)	(261,828)
Increase in creditors	89,449	79,212
Net cash inflow from operating activities	<u>773,431</u>	<u>236,154</u>

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	<u>2,364</u>	<u>1,292</u>
Net cash inflow for returns on investments and servicing of finance	<u>2,364</u>	<u>1,292</u>
Capital expenditure		
Purchase of tangible fixed assets	(267,980)	(83,776)
Sale of tangible fixed assets	<u>115,920</u>	<u>37,278</u>
Net cash outflow for capital expenditure	<u>(152,060)</u>	<u>(46,498)</u>
Financing		
Amounts paid/advanced from related parti	419,506	452,970
Dilapidation costs incurred	(3,655)	(4,084)
Amount introduced by directors	-	3,360
Net cash inflow from financing	<u>415,851</u>	<u>452,246</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.11 £	Cash flow £	At 30.11.12 £
Net cash:			
Cash at bank	<u>592,291</u>	<u>(73,941)</u>	<u>518,350</u>
	<u>592,291</u>	<u>(73,941)</u>	<u>518,350</u>
Total	<u>592,291</u>	<u>(73,941)</u>	<u>518,350</u>

The notes form part of these abbreviated accounts

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

**Notes to the Abbreviated Accounts
for the Year Ended 30 November 2012**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

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

Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

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 the profit and loss account in the period to which they relate.

2. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	856,018	958,197
Other pension costs	17,438	17,929
	<u>873,456</u>	<u>976,126</u>

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

	2012	2011
Management	3	3
Administration & sales	8	8
Warehouse and distribution	26	27
	<u>37</u>	<u>38</u>

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 November 2012

3. **OPERATING PROFIT**

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

	2012	2011
	£	£
Depreciation - owned assets	77,583	58,939
Profit on disposal of fixed assets	(17,910)	(5,566)
Goodwill amortisation	2,500	2,500
Auditors' remuneration	5,100	5,000
Rent paid	<u>150,000</u>	<u>150,000</u>
Directors' remuneration	<u>44,093</u>	<u>44,810</u>

4. **TAXATION**

Analysis of the tax charge

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

	2012	2011
	£	£
Current tax:		
UK corporation tax	184,757	113,527
Underprovision in prior year	-	47,972
Total current tax	<u>184,757</u>	<u>161,499</u>
Deferred tax:		
Deferred tax	4,269	(3,725)
Release of improvement provision	-	(84,000)
Total deferred tax	<u>4,269</u>	<u>(87,725)</u>
Tax on profit on ordinary activities	<u>189,026</u>	<u>73,774</u>

UK corporation tax has been charged at 24.59% (2011 - 26.41%).

5. **DIVIDENDS**

	2012	2011
	£	£
Ordinary shares of 1 each		
Interim	<u>1,000,000</u>	<u>-</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 November 2012

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2011	
and 30 November 2012	<u>68,252</u>
AMORTISATION	
At 1 December 2011	65,752
Amortisation for year	<u>2,500</u>
At 30 November 2012	<u>68,252</u>
NET BOOK VALUE	
At 30 November 2012	<u>-</u>
At 30 November 2011	<u>2,500</u>

7. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2011	50,621	191,314	24,227
Additions	-	63,580	-
Disposals	-	(59,900)	-
At 30 November 2012	<u>50,621</u>	<u>194,994</u>	<u>24,227</u>
DEPRECIATION			
At 1 December 2011	13,668	162,396	17,025
Charge for year	5,062	8,334	1,914
Eliminated on disposal	-	(6,400)	-
At 30 November 2012	<u>18,730</u>	<u>164,330</u>	<u>18,939</u>
NET BOOK VALUE			
At 30 November 2012	<u>31,891</u>	<u>30,664</u>	<u>5,288</u>
At 30 November 2011	<u>36,953</u>	<u>28,918</u>	<u>7,202</u>

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 November 2012

7. **TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2011	313,104	36,947	616,213
Additions	204,400	-	267,980
Disposals	<u>(189,139)</u>	<u>-</u>	<u>(249,039)</u>
At 30 November 2012	<u>328,365</u>	<u>36,947</u>	<u>635,154</u>
DEPRECIATION			
At 1 December 2011	230,865	33,947	457,901
Charge for year	62,273	-	77,583
Eliminated on disposal	<u>(144,629)</u>	<u>-</u>	<u>(151,029)</u>
At 30 November 2012	<u>148,509</u>	<u>33,947</u>	<u>384,455</u>
NET BOOK VALUE			
At 30 November 2012	<u>179,856</u>	<u>3,000</u>	<u>250,699</u>
At 30 November 2011	<u>82,239</u>	<u>3,000</u>	<u>158,312</u>

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8. **STOCKS**

	2012 £	2011 £
Stocks	<u>710,916</u>	<u>692,727</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade debtors	1,950,117	1,824,650
Other debtors	12,007	16,246
Deferred tax asset	7,510	11,779
Prepayments	<u>11,371</u>	<u>9,561</u>
	<u>1,981,005</u>	<u>1,862,236</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade creditors	881,855	670,791
Amounts owed to group undertakings	627,160	207,654
Tax	184,757	113,527
Social security and other taxes	117,196	196,435
Other creditors	22,780	22,250
Accrued expenses	<u>241,209</u>	<u>284,115</u>
	<u>2,074,957</u>	<u>1,494,772</u>

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

**Notes to the Abbreviated Accounts - continued
for the Year Ended 30 November 2012**

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2012	2011
	£	£
Expiring:		
In more than five years	<u>150,000</u>	<u>150,000</u>

12. PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Other provisions	<u>753,254</u>	<u>756,909</u>
	Deferred tax	Dilapidations
	£	£
Balance at 1 December 2011	(11,779)	756,909
Charge to profit and loss account during year	4,269	-
Dilapidation costs incurred	-	(3,655)
Balance at 30 November 2012	<u>(7,510)</u>	<u>753,254</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2012	2011
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

14. RESERVES

	Profit and loss account
	£
At 1 December 2011	1,046,385
Profit for the year	576,374
Dividends	<u>(1,000,000)</u>
At 30 November 2012	<u>622,759</u>

KELVIN STEELS LIMITED (REGISTERED NUMBER: SC205181)

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 November 2012

15. **ULTIMATE PARENT COMPANY**

The company is a subsidiary of Weststrand Limited which is the ultimate parent company. Weststrand Limited is controlled by Hamish Nugent.

16. **RELATED PARTY DISCLOSURES**

The company's related parties are considered to be Eaststrand Ltd, Arran Holdings limited, Weststrand Limited, Inox Alloys Ltd and Kelvin Steels (England) Limited. Eaststrand Limited and Inox Alloys Ltd have a common director and beneficial shareholder and Arran Holdings Limited is a subsidiary of Eaststrand Limited. Weststrand Limited is the company's ultimate parent company, and Kelvin Steels (England) Limited is a fellow subsidiary.

The company leases its premises from Arran Holdings Limited. During the year rent of £150,000 (2011 - £150,000) was paid to Arran Holdings Limited under the terms of the lease. Also, £15,000 (2011 - £15,000) was paid to this company in respect of management fees. There was no amount due to this company at the year end (2011 - £nil)

There were no transactions or balances at the year end with Inox Alloys Limited.

Exemption has been taken from disclosing related party transactions with Weststrand Limited and Kelvin Steels (England) Limited on the basis that consolidated financial statements have been prepared for the group headed by the company's parent, Weststrand Limited.

17. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2012 £	2011 £
Profit for the financial year	576,374	325,452
Dividends	(1,000,000)	-
Net (reduction)/addition to shareholders' funds	(423,626)	325,452
Opening shareholders' funds	1,056,385	730,933
Closing shareholders' funds	632,759	1,056,385

