REG

REGISTERED NUMBER: SC255261 (Scotland)

Report of the Directors and

Audited Consolidated Financial Statements for the Year Ended 30 November 2012

for

WESTSTRAND LTD

shares

SATURDAY
S2FF6CSX
SCT 24/08/2013 #187
COMPANIES HOUSE

WESTSTRAND LTD (REGISTERED NUMBER: SC255261)

Contents of the Consolidated Financial Statements
for the Year Ended 30 November 2012

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Balance Sheet	6
Company Balance Sheet	7
Consolidated Cash Flow Statement	8
Notes to the Consolidated Cash Flow Statement	9
Notes to the Consolidated Financial Statements	10

WESTSTRAND LTD

Company Information
for the Year Ended 30 November 2012

DIRECTORS:	B F A Nugent H B Nugent Mrs C R P Nugent
SECRETARY:	W T Nugent
REGISTERED OFFICE:	Caledonia House Thornliebank Industrial Estate Glasgow G46 8JT
REGISTERED NUMBER:	SC255261 (Scotland)
SENIOR STATUTORY AUDITOR:	Robert Pollock BA CA
AUDITORS:	Sharles Audit Limited Statutory Auditor 29 Brandon Street Hamilton ML3 6DA

Report of the Directors
for the Year Ended 30 November 2012

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2012.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of steel stockholders.

REVIEW OF BUSINESS
In the opinion of the board of directors, the group has had another excellent trading year, despite the difficult market conditions that the group and all in the industry have faced. Some other financial KPI's are set out in the table below to show the performance of the group over the trading year.

	2012	2011
Gross Profitability per employee	£47,556	£37,529
Return on capital employed	49.7%	44.0%
Gross Profit %age	24.8%	19.8%

Group profit after taxation was £1,035,909 (2011 - £533,416).

The group has sufficient reserves to finance the levels of activity anticipated in the foreseeable future.

There have been no events since the balance sheet date that materially affect the financial position of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in the steel industry and is therefore subject to the rises and falls within the industry in general. The market is competitive although the group retains an extremely high level of repeat business from its customers and the directors are confident that the high level of service given to the customers will ensure that the group will continue to be competitive in our chosen market.

The group's main credit risk relates to debtors. Credit checks on customers are undertaken regularly and their payment histories are monitored as a matter of course, in addition the group has stringent credit control procedures. Historically these processes have resulted in a low level of bad debt.

Other than an operating lease with a related party, the group does not utilise external sources of finance and does not anticipate a need to in the immediate future. Cash flow is monitored on a day to day basis as part of the overall control function.

DIVIDENDS
No dividends will be distributed for the year ended 30 November 2012.

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
H B Nugent
Mrs C R P Nugent

GROUP'S POLICY ON PAYMENT OF CREDITORS
The group aims to pay its suppliers within 45 days of invoice, or within the relevant suppliers terms and conditions, whichever is the lesser.

EMPLOYEE INVOLVEMENT
During the period the policy of providing employees with information about the group has been set up. Regular meetings are held between the management and employees to allow a free flow of information.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the job requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate .

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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

H B Nugent - Director

17 June 2013

Report of the Independent Auditors to the Members of Weststrand Ltd

We have audited the financial statements of Weststrand Ltd for the year ended 30 November 2012 on pages five to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors
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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2012 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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

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

	Notes	2012 £	2011 £
TURNOVER		**10,346,001**	10,038,480
Cost of sales		**7,777,988**	8,049,439
GROSS PROFIT		**2,568,013**	1,989,041
Administrative expenses		**1,421,689**	1,506,392
		1,146,324	482,649
Other operating income		**234,962**	230,385
OPERATING PROFIT	3	**1,381,286**	713,034
Interest receivable and similar income		**2,564**	1,681
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,383,850**	714,715
Tax on profit on ordinary activities	4	**347,941**	152,569
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		**1,035,909**	562,146

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Consolidated Balance Sheet
30 November 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Intangible assets	6		-		2,500
Tangible assets	7		**404,878**		288,069
Investments	8		-		-
			404,878		290,569
CURRENT ASSETS					
Stocks	9	**1,966,986**		1,895,705	
Debtors	10	**2,576,533**		2,462,438	
Cash at bank		**1,634,572**		854,126	
		6,178,091		5,212,269	
CREDITORS					
Amounts falling due within one year	11	**2,333,839**		2,242,263	
NET CURRENT ASSETS			**3,844,252**		2,970,006
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,249,130**		3,260,575
PROVISIONS FOR LIABILITIES	13		**1,592,259**		1,639,613
NET ASSETS			**2,656,871**		1,620,962
CAPITAL AND RESERVES					
Called up share capital	14		**50,000**		50,000
Profit and loss account	15		**2,606,871**		1,570,962
SHAREHOLDERS' FUNDS	17		**2,656,871**		1,620,962

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

The notes form part of these financial statements

Company Balance Sheet
30 November 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Intangible assets	6		-		-
Tangible assets	7		-		-
Investments	8		**49,998**		49,998
			49,998		49,998
CURRENT ASSETS					
Debtors	10	**805,726**		5,726	
Cash at bank		**700,000**		-	
		1,505,726		5,726	
CREDITORS					
Amounts falling due within one year	11	**1,202**		1,202	
NET CURRENT ASSETS			**1,504,524**		4,524
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,554,522**		54,522
CAPITAL AND RESERVES					
Called up share capital	14		**50,000**		50,000
Profit and loss account	15		**1,504,522**		4,522
SHAREHOLDERS' FUNDS	17		**1,554,522**		54,522

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

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 30 November 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	**1,160,140**	689,784
Returns on investments and servicing of finance	2	**2,564**	1,681
Taxation		**(179,290)**	(265,798)
Capital expenditure	2	**(216,400)**	(131,131)
		767,014	294,536
Financing	2	**13,432**	16,344
Increase in cash in the period		**780,446**	310,880

Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		**780,446**	310,880
Change in net funds resulting from cash flows		**780,446**	310,880
Movement in net funds in the period		**780,446**	310,880
Net funds at 1 December		**854,126**	543,246
Net funds at 30 November		**1,634,572**	854,126

The notes form part of these financial statements

Notes to the Consolidated 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	**1,381,286**	713,034
Depreciation charges	**123,391**	96,915
Profit on disposal of fixed assets	**(21,300)**	(13,566)
(Decrease)/Increase in other provisions	**(3,655)**	(4,084)
Increase in stocks	**(71,281)**	(356,186)
Increase in debtors	**(114,095)**	(402,673)
(Decrease)/increase in creditors	**(134,206)**	656,344
Net cash inflow from operating activities	**1,160,140**	689,784

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	**2,564**	1,681
Net cash inflow for returns on investments and servicing of finance	**2,564**	1,681
Capital expenditure		
Purchase of tangible fixed assets	**(354,610)**	(176,409)
Sale of tangible fixed assets	**138,210**	45,278
Net cash outflow for capital expenditure	**(216,400)**	(131,131)
Financing		
Amounts paid/advanced from related party	**13,432**	16,568
Amount withdrawn by directors	**-**	(224)
Net cash inflow from financing	**13,432**	16,344

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.11	Cash flow	At 30.11.12
	£	£	£
Net cash:			
Cash at bank	**854,126**	**780,446**	**1,634,572**
	854,126	**780,446**	**1,634,572**
Total	**854,126**	**780,446**	**1,634,572**

The notes form part of these financial statements

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 arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit & loss account over the directors estimate of its economic useful life which is 4 years. impairment tests on the carrying value of goodwill are undertaken :-

- at the end of the first full financial year following acquisition;

- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Short leasehold	- over period of lease
Plant and machinery	- 10% on cost and at varying rates on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost and 20% on cost
Computer equipment	- 25% on cost

Stocks
Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on the estimated selling price less additional costs to completion and disposal.

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 group operates a defined contribution pension scheme. Contributions payable to the group'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	**1,286,730**	1,369,796
Other pension costs	**22,942**	24,324
	1,309,672	1,394,120

continued...

2. STAFF COSTS - continued

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

	2012	2011
Management	3	3
Administration and Sales	11	11
Warehouse and Distribution	40	39
	54	53

3. OPERATING PROFIT

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

	2012	2011
	£	£
Depreciation - owned assets	120,891	94,416
Profit on disposal of fixed assets	(21,300)	(13,566)
Goodwill amortisation	2,500	2,500
Auditors' remuneration	10,200	10,000
Rent Paid	212,500	200,000
Directors' remuneration	44,093	44,810

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	341,640	179,290
Under provision in prior years	50,000	47,972
Total current tax	391,640	227,262
Deferred tax:		
Deferred tax	(1,699)	9,307
Dilapidation provision release	(42,000)	(84,000)
Total deferred tax	(43,699)	(74,693)
Tax on profit on ordinary activities	347,941	152,569

UK corporation tax has been charged at 24.67% (2011 - 27.33%).

continued...

4. TAXATION - continued

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

	2012	2011
	£	£
Profit on ordinary activities before tax	1,383,850	714,715
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.670% (2011 - 27.333%)	341,396	195,353
Effects of:		
Expenses not deductible for tax purposes	(925)	10,015
Capital allowances in excess of depreciation	-	(16,555)
Depreciation in excess of capital allowances	2,496	-
Adjustments to tax charge in respect of previous periods	50,000	47,972
Marginal rate relief	(1,327)	(9,523)
Current tax charge	391,640	227,262

5. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,500,000 (2011 - £0).

6. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 December 2011 and 30 November 2012	280,291
AMORTISATION	
At 1 December 2011	277,791
Amortisation for year	2,500
At 30 November 2012	280,291
NET BOOK VALUE	
At 30 November 2012	-
At 30 November 2011	2,500

continued...

7. **TANGIBLE FIXED ASSETS**

Group

	Short leasehold £	Long leasehold £	Plant and machinery £
COST			
At 1 December 2011	**4,315**	**50,621**	**443,205**
Additions	-	-	**116,480**
Disposals	-	-	**(59,900)**
At 30 November 2012	**4,315**	**50,621**	**499,785**
DEPRECIATION			
At 1 December 2011	**863**	**13,668**	**334,953**
Charge for year	**431**	**5,062**	**30,878**
Eliminated on disposal	-	-	**(6,400)**
At 30 November 2012	**1,294**	**18,730**	**359,431**
NET BOOK VALUE			
At 30 November 2012	**3,021**	**31,891**	**140,354**
At 30 November 2011	3,452	36,953	108,252

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 December 2011	**34,018**	**449,274**	**56,866**	**1,038,299**
Additions	-	**238,130**	-	**354,610**
Disposals	-	**(240,939)**	-	**(300,839)**
At 30 November 2012	**34,018**	**446,465**	**56,866**	**1,092,070**
DEPRECIATION				
At 1 December 2011	**21,909**	**327,839**	**50,998**	**750,230**
Charge for year	**2,894**	**80,493**	**1,133**	**120,891**
Eliminated on disposal	-	**(177,529)**	-	**(183,929)**
At 30 November 2012	**24,803**	**230,803**	**52,131**	**687,192**
NET BOOK VALUE				
At 30 November 2012	**9,215**	**215,662**	**4,735**	**404,878**
At 30 November 2011	12,109	121,435	5,868	288,069

continued...

8. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 December 2011 and 30 November 2012	**49,998**
NET BOOK VALUE	
At 30 November 2012	**49,998**
At 30 November 2011	49,998

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Kelvin Steels Limited
Nature of business: Steel Stockholders

Class of shares:	% holding
Ordinary	100.00

	2012 £	2011 £
Aggregate capital and reserves	**632,759**	1,056,385
Profit for the year	**576,374**	325,452

Kelvin Steels (England) Limited
Nature of business: Steel stockholders

Class of shares:	% holding
Ordinary	100.00

	2012 £	2011 £
Aggregate capital and reserves	**519,590**	560,056
Profit for the year	**459,534**	236,694

9. STOCKS

	Group 2012 £	2011 £
Stocks	**1,966,986**	1,895,705

continued...

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Trade debtors	**2,515,491**	2,401,669	**-**	-
Amounts owed by group undertakings	**-**	-	**805,724**	5,724
Other debtors	**24,907**	34,146	**2**	2
Prepayments	**36,135**	26,623	**-**	-
	2,576,533	2,462,438	**805,726**	5,726

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Trade creditors	**1,216,413**	1,207,174	**-**	-
Amounts owed to group undertakings	**45,000**	31,568	**-**	-
Tax	**392,842**	180,492	**1,202**	1,202
Social security and other taxes	**238,312**	303,545	**-**	-
Other creditors	**22,780**	22,250	**-**	-
Accrued expenses	**418,492**	497,234	**-**	-
	2,333,839	2,242,263	**1,202**	1,202

12. OPERATING LEASE COMMITMENTS

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

Group

	Land and buildings	
	2012	2011
	£	£
Expiring:		
In more than five years	**230,000**	200,000

13. PROVISIONS FOR LIABILITIES

	Group	
	2012	2011
	£	£
Deferred tax	**9,704**	53,403
Other provisions	**1,582,555**	1,586,210
Aggregate amounts	**1,592,259**	1,639,613

continued...

13. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax	Dilapidations
	£	£
Balance at 1 December 2011	53,403	1,586,210
Credit to profit and loss account during year	(1,699)	-
Dilapidation works carried out	-	(3,655)
Improvements element released	(42,000)	-
Balance at 30 November 2012	9,704	1,582,555

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2012 £	2011 £
50,000	Ordinary Shares	£1	50,000	50,000

15. **RESERVES**

Group

	Profit and loss account £
At 1 December 2011	1,570,962
Profit for the year	1,035,909
At 30 November 2012	2,606,871

Company

	Profit and loss account £
At 1 December 2011	4,522
Profit for the year	1,500,000
At 30 November 2012	1,504,522

continued...

16. RELATED PARTY DISCLOSURES

The group's related parties are Eaststrand Limited, Arran Holdings Limited and Inox Alloys. Eaststrand Limited and Inox Alloys Ltd have a common director and beneficial shareholder. Arran Holdings limited is s subsidiary of Eaststrand Limited.

The group leases premises from Arran Holdings Limited. During the year rent of £150,000 was paid to Arran Holdings Limited . A management fee of £15,000 was also paid to this company. There was no amount due to or from the related party at the year end (2011 - £nil).

There were no transactions with Inox Alloys during the year and the group repaid the amounts owing to Inox Alloys Ltd at last year end. The balance due to Inox Alloys Limited was £nil at the year end, (2011 due to - £23,578).

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011
	£	£
Profit for the financial year	**1,035,909**	562,146
Net addition to shareholders' funds	**1,035,909**	562,146
Opening shareholders' funds	**1,620,962**	1,058,816
Closing shareholders' funds	**2,656,871**	1,620,962

Company

	2012	2011
	£	£
Profit for the financial year	**1,500,000**	-
Net addition to shareholders' funds	**1,500,000**	-
Opening shareholders' funds	**54,522**	54,522
Closing shareholders' funds	**1,554,522**	54,522