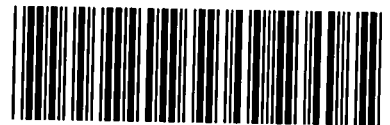


COMPANY REGISTRATION NUMBER: 00791122

C & S Steels (Wolverhampton) Limited
Financial Statements
28th February 2018

TUESDAY



A07 *A7IMCYP6* 13/11/2018 #182
COMPANIES HOUSE

GARRATTS WOLVERHAMPTON LIMITED

Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

C & S Steels (Wolverhampton) Limited

Financial Statements

Year ended 28th February 2018

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C & S Steels (Wolverhampton) Limited

Officers and Professional Advisers

The Board of Directors

Mr R G R Cook
Mr J G R Cook

Company Secretary

Miss M Bratch

Registered Office

Highfields Road
Bilston
West Midlands
WV14 0LQ

Auditor

Garratts Wolverhampton Limited
Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

Bankers

HSBC Bank Plc
9 Queen Square
Wolverhampton
West Midlands
WV1 1TE

C & S Steels (Wolverhampton) Limited

Strategic Report

Year ended 28th February 2018

Principal activity

The principal activity of the company during the year was the manufacture and stockholding of bright bar and steel stockholding.

Business review

The directors report that the company has maintained its position within the market place. Turnover increased by 22.6% however the gross margin was 1.1% lower than last year. The market remains competitive and as such the company is continuing to focus on its cost base to ensure it remains competitive. The directors consider the company's position at the year end to be satisfactory.

Principal risks and uncertainties

The key risk and uncertainty for the company is falling steel prices and the consequent reduction in margins.

Future Developments

The company is extending its range of products and related services to help achieve an increase in its customer base.

This report was approved by the board of directors on 18th October 2018 and signed on behalf of the board by:



Miss M Bratch
Company Secretary

Registered office:
Highfields Road
Bilston
West Midlands
WV14 0LQ

C & S Steels (Wolverhampton) Limited

Directors' Report

Year ended 28th February 2018

The directors present their report and the financial statements of the company for the year ended 28th February 2018.

Directors

The directors who served the company during the year were as follows:

Mr R G R Cook

Mr J G R Cook

Dividends

The directors do not recommend the payment of a dividend.

Other matters

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 22 to the accounts.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is set out in the Company's Strategic Report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- 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.

C & S Steels (Wolverhampton) Limited

Directors' Report *(continued)*

Year ended 28th February 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 18th October 2018 and signed on behalf of the board by:



Miss M Bratch
Company Secretary

Registered office:
Highfields Road
Bilston
West Midlands
WV14 0LQ

C & S Steels (Wolverhampton) Limited

Independent Auditor's Report to the Members of C & S Steels (Wolverhampton) Limited

Year ended 28th February 2018

Opinion

We have audited the financial statements of C & S Steels (Wolverhampton) Limited (the 'company') for the year ended 28th February 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28th February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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.

C & S Steels (Wolverhampton) Limited

Independent Auditor's Report to the Members of C & S Steels (Wolverhampton) Limited *(continued)*

Year ended 28th February 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

C & S Steels (Wolverhampton) Limited

Independent Auditor's Report to the Members of C & S Steels (Wolverhampton) Limited *(continued)*

Year ended 28th February 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

C & S Steels (Wolverhampton) Limited

Independent Auditor's Report to the Members of C & S Steels (Wolverhampton) Limited *(continued)*

Year ended 28th February 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R S Chaggar (Senior Statutory Auditor)

For and on behalf of
Garratts Wolverhampton Limited
Chartered accountant & statutory auditor
29 Waterloo Road
Wolverhampton
WV1 4DJ

18th October 2018

C & S Steels (Wolverhampton) Limited

Statement of Income and Retained Earnings

Year ended 28th February 2018

	Note	2018 £	2017 £
Turnover	4	11,019,231	8,984,598
Cost of sales		<u>9,427,017</u>	<u>7,588,213</u>
Gross profit		1,592,214	1,396,385
Administrative expenses		<u>1,434,715</u>	<u>1,266,552</u>
Other operating income		<u>8,092</u>	<u>—</u>
Operating profit	5	165,591	129,833
Profit before taxation		165,591	129,833
Tax on profit	9	<u>36,515</u>	<u>35,631</u>
Profit for the financial year and total comprehensive income		129,076	94,202
Retained earnings at the start of the year		3,564,587	3,470,385
Retained earnings at the end of the year		3,693,663	3,564,587

All the activities of the company are from continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

All of the profit/(loss) for the period and total comprehensive income for the period is attributable to the owners.

The notes on pages 12 to 22 form part of these financial statements.

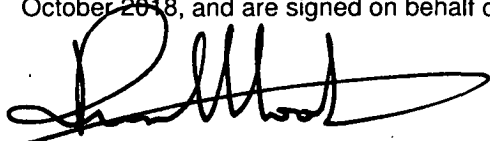
C & S Steels (Wolverhampton) Limited

Statement of Financial Position

28th February 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	1,083,455	1,054,556
Current assets			
Stocks	11	2,567,248	1,900,987
Debtors	12	3,034,604	2,227,781
Cash at bank and in hand		63,742	75,127
		<u>5,665,594</u>	<u>4,203,895</u>
Creditors: amounts falling due within one year	13	<u>2,910,841</u>	<u>1,576,761</u>
Net current assets		<u>2,754,753</u>	<u>2,627,134</u>
Total assets less current liabilities		<u>3,838,208</u>	<u>3,681,690</u>
Provisions			
Taxation including deferred tax	14	138,795	111,353
Net assets		<u>3,699,413</u>	<u>3,570,337</u>
Capital and reserves			
Called up share capital	17	1,500	1,500
Share premium account	18	3,750	3,750
Capital redemption reserve	18	500	500
Profit and loss account	18	3,693,663	3,564,587
Shareholders funds		<u>3,699,413</u>	<u>3,570,337</u>

These financial statements were approved by the board of directors and authorised for issue on 18th October 2018, and are signed on behalf of the board by:



Mr R G R Cook
Director

Company registration number: 00791122

The notes on pages 12 to 22 form part of these financial statements.

C & S Steels (Wolverhampton) Limited

Statement of Cash Flows

Year ended 28th February 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	129,076	94,202
<i>Adjustments for:</i>		
Depreciation of tangible assets	131,192	119,763
Tax on profit	36,515	35,631
Accrued expenses	41,853	182,067
<i>Changes in:</i>		
Stocks	(666,261)	166,376
Trade and other debtors	(815,896)	(120,986)
Trade and other creditors	1,249,227	79,890
Cash generated from operations	105,706	556,943
Net cash from operating activities	105,706	556,943
Cash flows from investing activities		
Purchase of tangible assets	(160,091)	(419,934)
Net cash used in investing activities	(160,091)	(419,934)
Cash flows from financing activities		
Proceeds from borrowings	133,000	90,000
Repayments of borrowings	(90,000)	(100,000)
Net cash from/(used in) financing activities	43,000	(10,000)
Net (decrease)/increase in cash and cash equivalents	(11,385)	127,009
Cash and cash equivalents at beginning of year	75,127	(51,882)
Cash and cash equivalents at end of year	63,742	75,127

The notes on pages 12 to 22 form part of these financial statements.

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements

Year ended 28th February 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Highfields Road, Bilston, West Midlands, WV14 0LQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

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

(b) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(c) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with a maturity of three months or less.

Trade and other creditors

Trade and other creditors are recognised and carried forward at the amount of the obligation to transfer economic benefits as a result of a past transaction or events.

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

(d) Judgements and key sources of estimation uncertainty

In the preparation of the financial statements, management makes certain judgements and estimates that impact the financial statements. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the company as at 28 February 2018 are discussed below:-

Carrying value of stocks

Allowance for slow moving and loss making stock is based on estimates determined by market knowledge and past experience.

Taxation

Deferred tax liabilities are generally provided for in full and deferred tax assets are recognised to the extent that it is judged probable that future taxable profit will arise against which the temporary differences will be utilised.

Carrying value of trade and other receivables

Allowance for doubtful debt and provisions against other receivables, are made on a specific basis, based on estimates or irrecoverability determined by market knowledge and past experience.

(e) Revenue recognition

The turnover shown in the profit and loss account represents the sale of goods during the year, exclusive of Value Added Tax.

(f) Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(g) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

(h) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost or deemed cost less any accumulated depreciation and impairment losses. Some classes of assets have been measured at fair value as deemed cost on transition to FRS 102 as at 1 March 2014 in accordance with the transition procedures of FRS 102.

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

3. Accounting policies *(continued)*

(i) Depreciation

Depreciation is calculated so as to write off the cost or deemed cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Between 4 and 10 years
Plant & Machinery	-	Between 4 and 10 years
Fixtures & Fittings	-	Between 4 and 10 years
Motor Vehicles	-	Between 4 and 10 years

(j) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

(k) Stocks

Stocks are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. Cost represents materials, direct labour and appropriate production overheads.

(l) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

(m) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

3. Accounting policies *(continued)*

(n) Defined contribution plans

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Sale of goods	<u>11,019,231</u>	<u>8,984,598</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018 £	2017 £
United Kingdom	10,565,166	8,609,749
EU Countries	432,556	324,850
Rest of World	21,509	49,999
	<u>11,019,231</u>	<u>8,984,598</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018 £	2017 £
Depreciation of tangible assets	131,192	119,763
Impairment of trade debtors	2,264	(1,907)
Foreign exchange differences	<u>(3,906)</u>	<u>(5,951)</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>12,875</u>	<u>12,875</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No	2017 No
Production staff	36	38
Distribution staff	16	12
Administrative staff	8	8
	<u>60</u>	<u>58</u>

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

7. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	1,181,547	1,114,084
Social security costs	105,949	93,250
Other pension costs	5,736	5,681
	<u>1,293,232</u>	<u>1,213,015</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	<u>240,000</u>	<u>200,000</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No	No
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	<u>220,000</u>	<u>200,000</u>

9. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
Adjustments in respect of prior periods	9,073	9,073
Deferred tax:		
Origination and reversal of timing differences	27,442	26,558
Tax on profit	<u>36,515</u>	<u>35,631</u>

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements (continued)

Year ended 28th February 2018

9. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.08% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	165,591	129,833
Profit on ordinary activities by rate of tax	31,595	25,967
Adjustment to tax charge in respect of prior periods	9,073	9,073
Effect of expenses not deductible for tax purposes	1,436	490
Effect of capital allowances and depreciation	(7,032)	(65,790)
Unused tax losses	—	39,333
Deferred tax	27,442	26,558
Utilisation of losses brought forward	(25,999)	—
Tax on profit	36,515	35,631

The amount of unused tax losses at the year end amounts to £181,105 (2017: £317,584).

10. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or deemed cost					
At 1st March 2017	378,967	757,285	1,437,567	142,227	2,716,046
Additions	—	14,327	120,359	25,405	160,091
At 28th February 2018	378,967	771,612	1,557,926	167,632	2,876,137
Depreciation					
At 1st March 2017	376,953	112,697	1,072,736	99,104	1,661,490
Charge for the year	403	70,161	43,495	17,133	131,192
At 28th February 2018	377,356	182,858	1,116,231	116,237	1,792,682
Carrying amount					
At 28th February 2018	1,611	588,754	441,695	51,395	1,083,455
At 28th February 2017	2,014	644,588	364,831	43,123	1,054,556

11. Stocks

	2018 £	2017 £
Steel stocks	2,567,248	1,900,987

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

11. Stocks *(continued)*

Stock recognised in cost of sales during the year as an expense was £7,982,189 (2017: £6,235,410).

Stock impairment losses during the year within cost of sales was a reversal of £11,922 (2017: £1,605).

12. Debtors

	2018	2017
	£	£
Trade debtors	2,956,646	2,144,026
Prepayments and accrued income	77,958	74,682
Corporation tax repayable	–	9,073
	<u>3,034,604</u>	<u>2,227,781</u>

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Advances against trade debtors	430,625	–
Trade creditors	1,794,203	1,043,253
Accruals and deferred income	261,998	220,145
Social security and other taxes	291,015	223,363
Director loan accounts	133,000	90,000
	<u>2,910,841</u>	<u>1,576,761</u>

The advances against trade debtors of £430,625 (2017: £Nil) are secured by the company on its trade debtors and by a debenture.

14. Provisions

	Deferred tax (note 15) £
At 1st March 2017	111,353
Charge against provision	27,442
At 28th February 2018	<u>138,795</u>

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 14)	<u>138,795</u>	<u>111,353</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	173,205	174,869
Unused tax losses	<u>(34,410)</u>	<u>(63,516)</u>
	<u>138,795</u>	<u>111,353</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £5,736 (2017: £5,681).

17. Called up share capital

Authorised share capital

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>

The Ordinary shares entitle the holders to vote at general meetings of the company and rank pari passu on dissolution. The shares have no restrictions on the distribution of dividends and the repayment of capital.

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

18. Reserves

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Share premium account - This reserve represents the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve includes all current and prior period retained profits and losses and measurement of fair value as deemed cost on transition to FRS 102 of some classes of fixed assets.

19. Company information

C & S Steels (Wolverhampton) Limited is a Limited company incorporated in England. Its registered office is Highfields Road, Bilston, West Midlands, WV14 0LQ.

The financial statements are presented in Sterling (£).

20. Analysis of changes in net debt

	At 1 Mar 2017 £	Cash flows £	At 28 Feb 2018 £
Cash at bank and in hand	75,127	(11,385)	63,742
Debt due within one year	-	(430,625)	(430,625)
	<u>75,127</u>	<u>(442,010)</u>	<u>(366,883)</u>

21. Reconciliation of net cash flow to movement in net debt

	2018 £	2017 £
Decrease in cash and cash equivalents in the year	(442,010)	(122,489)
Proceeds from borrowings	430,625	-
Repayments of borrowings	-	249,498
Change in net debt	<u>(11,385)</u>	<u>127,009</u>
Net (debt)/funds at 1st March 2017	75,127	(51,882)
Net debt at 28th February 2018	<u>63,742</u>	<u>75,127</u>

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

22. Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, invoice discounting and directors loans.

Currency risk

The company's objective is to hedge against its exposure to exchange rate risk through the use of foreign currency bank accounts for transactions in foreign currencies and using foreign currency forward contracts.

Price risk

The company's objective is to maintain competitiveness in pricing by closely monitoring the market price of steel.

23. Directors' advances, credits and guarantees

During the year there were no advances, credits or guarantees to directors. The director loan accounts within creditors due within 1 year at the year end amounted to £133,000 (2017: £90,000).

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2018

24. Related party transactions

The company is controlled by Mr R G R Cook, a director of the company.

William Corns & Son Limited is a company under the control of Mr R G R Cook. There were no transactions with this company during the current or prior year. There were no outstanding balances with the company at the start or end of the year.

The properties from which the company trades are owned by Mr R G R Cook, no formal lease exists. The annual rentals charged in respect of these is £176,092 (2017 £133,092).