

COMPANY REGISTRATION NUMBER: 00791122

C & S Steels (Wolverhampton) Limited

Financial Statements

28 February 2022

C & S Steels (Wolverhampton) Limited

Financial Statements

Year ended 28th February 2022

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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 accountants & 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 2022

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 42% mainly due to the result of COVID related lockdowns effecting sales in the previous year. The company has made significant progress in achieving increased efficiencies in response to the COVID crisis and is well placed to compete in a market that remains a very competitive market with results into the next financial year being very resilient. 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 the continuing impact of COVID and the as yet unknown implications of Brexit. **Future Developments** The company is continuing to try and extend 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 22nd November 2022 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 2022

The directors present their report and the financial statements of the company for the year ended 28 February 2022

Directors

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

Mr R G R Cook

Mr J G R Cook

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Other matters

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 23 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; - 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. 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 22 November 2022 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 2022

Opinion

We have audited the financial statements of C & S Steels (Wolverhampton) Limited (the 'company') for the year ended 28th February 2022 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). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 28th February 2022 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

In auditing the financial statements, we have concluded that the directors' 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 directors with respect to going concern are described in the relevant sections of this report.

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.

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. 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: Extent to which the audit was considered capable of detecting irregularities, including fraud We identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. Identifying and assessing potential risks related to irregularities In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following: - The nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets; - Results of our enquiries of management about their own identification and assessment of the risks of irregularities; - Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:- - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; - The matters discussed among the audit engagement team and involving relevant internal specialists, including tax regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As a result of the procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: - Overstatement of turnover - Understatement of expenses - Overstatement of current assets and understatement of current liabilities In common with all audits under ISAs (UK), we were also required to perform specific procedures to respond to the risks of management override. We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, pensions legislation and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty. These included health and safety legislation. Audit response to risks identified As a result of performing the above, we identified the recognition of turnover and point of sale and sales and purchase cut off as key audit matters related to the potential risk of fraud. Our procedures to respond to risks identified included the following: - Undertaking thorough testing of sales and purchases recognised in the financial statements in the last month of this financial year and the first month of the next financial year to ensure they are recognised in the correct period; - Testing control procedures to ensure adequate division of roles of the employees and sufficient authorisation of company documentation; - Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; - Enquiring of management, concerning actual and potential litigation and claims; - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud; - Reading minutes of meetings of those charged with governance and reviewing correspondence with regulatory authorities; and - In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. 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. 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. 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 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.

John Hitchen BA FCA

(Senior Statutory Auditor)

For and on behalf of

Garratts Wolverhampton Limited

Chartered accountants & statutory auditor

29 Waterloo Road

Wolverhampton

WV1 4DJ

22 November 2022

C & S Steels (Wolverhampton) Limited

Statement of Income and Retained Earnings

Year ended 28th February 2022

		2022	2021
	Note	£	£
Turnover	4	10,854,013	7,613,264
Cost of sales		9,110,417	6,840,483
Gross profit		1,743,596	772,781
Administrative expenses		1,441,374	957,067
Other operating income		5,352	236,643
Operating profit	5	307,574	52,357
Interest payable and similar expenses	9	—	1,784
Profit before taxation		307,574	50,573
Tax on profit	10	57,965	10,894
Profit for the financial year and total comprehensive income		249,609	39,679
Dividends paid and payable	11	(139,000)	—
Retained earnings at the start of the year		3,832,839	3,793,160
Retained earnings at the end of the year		3,943,448	3,832,839

All the activities of the company are from continuing operations.

C & S Steels (Wolverhampton) Limited

Statement of Financial Position

28 February 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	871,585	906,959
Current assets			
Stocks	13	2,231,304	1,333,297
Debtors	14	3,054,351	2,382,900
Cash at bank and in hand		649,607	776,588
		<u>5,935,262</u>	<u>4,492,785</u>
Creditors: amounts falling due within one year	15	2,710,022	1,409,509
		<u>3,225,240</u>	<u>3,083,276</u>
Net current assets			
Total assets less current liabilities		4,096,825	3,990,235
Provisions			
Taxation including deferred tax	16	147,627	151,646
		<u>3,949,198</u>	<u>3,838,589</u>
Net assets			
Capital and reserves			
Called up share capital	20	1,500	1,500
Share premium account	21	3,750	3,750
Capital redemption reserve	21	500	500
Profit and loss account	21	3,943,448	3,832,839
		<u>3,949,198</u>	<u>3,838,589</u>
Shareholders funds			

These financial statements were approved by the board of directors and authorised for issue on 22 November 2022 , and are signed on behalf of the board by:

Mr R G R Cook

Director

Company registration number: 00791122

C & S Steels (Wolverhampton) Limited

Statement of Cash Flows

Year ended 28th February 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	249,609	39,679
<i>Adjustments for:</i>		
Depreciation of tangible assets	59,822	65,023
Government grant income	(1,169)	(180,107)
Interest payable and similar expenses	—	1,784
Gains on disposal of tangible assets	(1,200)	(642)
Tax on profit	57,965	10,894
Accrued expenses/(income)	131,364	(160)
<i>Changes in:</i>		
Stocks	(898,007)	1,045,695
Trade and other debtors	(671,451)	118,345
Trade and other creditors	578,663	(530,926)
Cash generated from operations	(494,404)	569,585
Interest paid	—	(1,784)
Tax paid	(16,224)	(3,596)
Net cash (used in)/from operating activities	(510,628)	564,205
Cash flows from investing activities		
Purchase of tangible assets	(27,248)	(22,988)
Proceeds from sale of tangible assets	4,000	8,700
Net cash used in investing activities	(23,248)	(14,288)
Cash flows from financing activities		
Proceeds from borrowings	544,726	—
Repayments of borrowings	—	(43,499)
Government grant income	1,169	180,107
Dividends paid	(139,000)	—
Net cash from financing activities	406,895	136,608
Net (decrease)/increase in cash and cash equivalents	(126,981)	686,525
Cash and cash equivalents at beginning of year	776,588	90,063
Cash and cash equivalents at end of year	649,607	776,588

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements

Year ended 28th February 2022

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.

(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 2022 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.

(i) Depreciation

Depreciation is calculated so as to write off the cost or valuation 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 20 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. Stock is measured on a first in first out basis.

(l) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the condition attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

(m) 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.

(n) 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.

(o) 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:

	2022	2021
	£	£
Sale of goods	10,854,013	7,613,264

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:

	2022	2021
	£	£
United Kingdom	10,413,331	7,444,574
EU Countries	440,682	167,161
Rest of World	—	1,529
	10,854,013	7,613,264

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	59,822	65,023
Gains on disposal of tangible assets	(1,200)	(642)
Impairment of trade debtors	17,539	—
Foreign exchange differences	—	1,397

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	12,300	13,050

7. Staff costs

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

	2022	2021
	No	No
Production staff	15	16
Distribution staff	10	19
Administrative staff	6	7
	31	42

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

	2022	2021
	£	£
Wages and salaries	856,095	869,892
Social security costs	84,886	64,829
Other pension costs	12,083	15,997
	953,064	950,718

Included in the above are ex-gratia payments of £Nil (2021: £87,911).

8. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	260,000	52,641

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

	2022	2021
	No	No
Defined contribution plans	2	2

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

	2022	2021
	£	£
Aggregate remuneration	250,000	41,807

9. Interest payable and similar expenses

	2022	2021
	£	£
Other interest payable and similar charges	—	1,784

10. Tax on profit

Major components of tax expense

	2022	2021
	£	£
Current tax:		
UK current tax expense	61,984	16,224
Deferred tax:		
Origination and reversal of timing differences	(4,019)	(5,330)
Tax on profit	57,965	10,894

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	307,574	50,573
Profit on ordinary activities by rate of tax	58,439	9,609
Effect of expenses not deductible for tax purposes	828	1,285
Effect of capital allowances and depreciation	2,717	5,330
Deferred tax	(4,019)	(5,330)
Tax on profit	57,965	10,894

11. Dividends

	2022	2021
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	139,000	—

12. Tangible assets

	Leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1st March 2021	378,967	828,839	1,587,136	137,509	2,932,451
Additions	—	25,904	1,344	—	27,248
Disposals	—	—	—	(41,904)	(41,904)
At 28th February 2022	378,967	854,743	1,588,480	95,605	2,917,795
Depreciation					
At 1st March 2021	378,001	306,349	1,219,984	121,158	2,025,492
Charge for the year	—	28,322	27,400	4,100	59,822
Disposals	—	—	—	(39,104)	(39,104)
At 28th February 2022	378,001	334,671	1,247,384	86,154	2,046,210
Carrying amount					
At 28th February 2022	966	520,072	341,096	9,451	871,585
At 28th February 2021	966	522,490	367,152	16,351	906,959

13. Stocks

	2022	2021
	£	£
Raw materials and consumables	2,231,304	1,333,297

Stock recognised in cost of sales during the year as an expense was £7,919,457 (2021: £5,646,148).

14. Debtors

	2022	2021
	£	£
Trade debtors	2,955,576	2,254,171
Prepayments and accrued income	98,775	128,729

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3,054,351	2,382,900
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15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,563,551	1,087,681
Accruals and deferred income	162,138	30,774
Corporation tax	61,984	16,224
Social security and other taxes	372,622	269,829
Director loan accounts	549,727	5,001
	<u>2,710,022</u>	<u>1,409,509</u>

The advances against trade debtors of £Nil (2021: £Nil) are secured on its trade debtors and by a debenture.

16. Provisions

	Deferred tax (note 17) £
At 1st March 2021	151,646
Additions	(4,019)
At 28th February 2022	<u>147,627</u>

17. Deferred tax

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

	2022	2021
	£	£
Included in provisions (note 16)	<u>147,627</u>	<u>151,646</u>

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

	2022	2021
	£	£
Accelerated capital allowances	<u>147,627</u>	<u>151,646</u>

18. Employee benefits**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 12,083 (2021: £ 15,997).

19. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>1,169</u>	<u>180,107</u>

20. Called up share capital

Authorised share capital

	2022		2021	
	No	£	No	£
Ordinary shares of £ 1 each	2,000	2,000	2,000	2,000

Issued, called up and fully paid

	2022		2021	
	No	£	No	£
Ordinary shares of £ 1 each	1,500	1,500	1,500	1,500

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.

21. 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.

22. 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 (£).

23. Analysis of changes in net debt

	At 1 Mar 2021	Cash flows	At 28 Feb 2022
	£	£	£
Cash at bank and in hand	776,588	(126,981)	649,607
Debt due within one year	(5,001)	(544,726)	(549,727)
	771,587	(671,707)	99,880

C & S Steels (Wolverhampton) Limited

Notes to the Financial Statements *(continued)*

Year ended 28th February 2022

24. 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.

25. 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 £549,727 (2021: £5,001).

26. 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 £366,000 (2021: £Nil). During the year, the directors received a dividend of £139,000 (2021: £Nil).

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