

Acaster Steel Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Graham Sunley & Co Limited
Chartered Certified Accountant
52 Front Street
Acomb
York
YO24 3BX

**Chartered Certified Accountants' Report to the Director on the Preparation of the Unaudited
Statutory Accounts of
Acaster Steel Limited
for the Year Ended 31 December 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Acaster Steel Limited for the year ended 31 December 2016 as set out on pages 2 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook.html>

This report is made solely to the Board of Directors of Acaster Steel Limited, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the accounts of Acaster Steel Limited and state those matters that we have agreed to state to the Board of Directors of Acaster Steel Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163.doc>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Acaster Steel Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Acaster Steel Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Acaster Steel Limited. You consider that Acaster Steel Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Acaster Steel Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Graham Sunley & Co Limited
Chartered Certified Accountant
52 Front Street
Acomb
York
YO24 3BX

8 September 2017

Acaster Steel Limited

(Registration number: 02520747) Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>4</u>	508,557	475,710
Current assets			
Stocks	<u>5</u>	199,428	125,697
Debtors	<u>6</u>	291,656	268,442
Cash at bank and in hand		193	161
		<u>491,277</u>	<u>394,300</u>
Creditors: Amounts falling due within one year	<u>7</u>	(689,996)	(640,951)
Net current liabilities		<u>(198,719)</u>	<u>(246,651)</u>
Total assets less current liabilities		309,838	229,059
Creditors: Amounts falling due after more than one year	<u>7</u>	(131,027)	(46,247)
Provisions for liabilities		<u>(5,431)</u>	<u>(2,761)</u>
Net assets		<u>173,380</u>	<u>180,051</u>
Capital and reserves			
Called up share capital		20,000	20,000
Revaluation reserve		170,402	145,402
Profit and loss account		<u>(17,022)</u>	<u>14,649</u>
Total equity		<u>173,380</u>	<u>180,051</u>

For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 5 to 11 form an integral part of these financial statements.

Acaster Steel Limited
(Registration number: 02520747)
Balance Sheet as at 31 December 2016

Approved and authorised by the director on 8 September 2017

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Mr Paul Dodsworth

Director

The notes on pages 5 to 11 form an integral part of these financial statements.
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Acaster Steel Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2016	20,000	145,402	14,649	180,051
Loss for the year	-	-	(31,671)	(31,671)
Other comprehensive income	-	25,000	-	25,000
Total comprehensive income	-	25,000	(31,671)	(6,671)
At 31 December 2016	20,000	170,402	(17,022)	173,380

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2015	20,000	145,402	15,772	181,174
Loss for the year	-	-	(1,123)	(1,123)
Total comprehensive income	-	-	(1,123)	(1,123)
At 31 December 2015	20,000	145,402	14,649	180,051

The notes on pages 5 to 11 form an integral part of these financial statements.

Acaster Steel Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

Unit 4 & 4a
Moor Lane Industrial Estate
Tholthorpe
YORK
Yorkshire
YO61 1SR

These financial statements were authorised for issue by the director on 8 September 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and in accordance with FRS 105 'The Financial Reporting Standard applicable to the Micro-entities Regime'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Acaster Steel Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Freehold property	Revaluation
Plant and machinery	10% reducing balance
Office equipment	25% reducing balance
Motor vehicles	25% reducing balance

Revaluation

A policy of revaluation is adopted in respect of freehold land and buildings. Regular revaluations are undertaken and the land and property is shown in the Accounts at current market value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 31 December 2016

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Notes to the Financial Statements for the Year Ended 31 December 2016

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 10 (2015 - 10).

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 January 2016	445,000	26,779	69,940	54,211
Revaluations	25,000	-	-	-
Additions	-	58	22,000	-
Disposals	-	-	(19,450)	-
At 31 December 2016	470,000	26,837	72,490	54,211
Depreciation				
At 1 January 2016	-	24,655	52,123	43,442
Charge for the year	-	372	9,020	1,077
Eliminated on disposal	-	-	(15,708)	-
At 31 December 2016	-	25,027	45,435	44,519
Carrying amount				
At 31 December 2016	470,000	1,810	27,055	9,692
At 31 December 2015	445,000	2,124	17,817	10,769

Acaster Steel Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

	Total £
Cost or valuation	
At 1 January 2016	595,930
Revaluations	25,000
Additions	22,058
Disposals	<u>(19,450)</u>
At 31 December 2016	<u>623,538</u>
Depreciation	
At 1 January 2016	120,220
Charge for the year	10,469
Eliminated on disposal	<u>(15,708)</u>
At 31 December 2016	<u>114,981</u>
Carrying amount	
At 31 December 2016	<u><u>508,557</u></u>
At 31 December 2015	<u><u>475,710</u></u>

Included within the net book value of land and buildings above is £470,000 (2015 - £445,000) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Freehold land and buildings was revalued on 31 December 2016. The valuation was undertaken by the directors and is substantiated by an external valuation undertaken post year end.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £299,598 (2015 - £299,598).

5 Stocks

	2016 £	2015 £
Other inventories	<u>199,428</u>	<u>125,697</u>

6 Debtors

	2016 £	2015 £
Trade debtors	291,655	268,442
Other debtors	<u>1</u>	<u>-</u>
Total current trade and other debtors	<u><u>291,656</u></u>	<u><u>268,442</u></u>

Acaster Steel Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

7 Creditors

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	9	310,932	364,175
Trade creditors		359,525	244,215
Amounts owed to group undertakings and undertakings in which the company has a participating interest		8	8
Taxation and social security		15,925	27,311
Other creditors		3,606	5,242
		<u>689,996</u>	<u>640,951</u>
Due after one year			
Loans and borrowings	9	<u>131,027</u>	<u>46,247</u>

	2016 £	2015 £
After more than five years by instalments	65,665	-

Within bank loans and borrowing are debts totalling £437,792 which are secured by the to the benefit of the Yorkshire Bank by fixed and floating charges over the assets of the Company. The hire purchase creditor of £4,167 is secured on the asset to which the borrowing relates

8 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	<u>25,000</u>	<u>25,000</u>
		Property, plant and equipment 2016 £
Total amount of revalued assets		470,000
Amount of revaluation brought forward		145,402
Amount of revaluation for the year		<u>25,000</u>
Total carrying amount of assets had they not been revalued		<u>299,598</u>

A calculation of the deferred tax due on the revalued amount has been undertaken. No tax charge would arise on a sale at market value due to the availability of indexation relief.

Acaster Steel Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

9 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	118,865	42,014
Finance lease liabilities	12,162	4,233
	<u>131,027</u>	<u>46,247</u>

	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	238,398	240,867
Bank overdrafts	64,478	120,041
Finance lease liabilities	8,056	3,267
	<u>310,932</u>	<u>364,175</u>

Bank borrowings

Yorkshire Bank loan is denominated in sterling with a nominal interest rate of 4.5%, and the final instalment is due on 28 February 2026. The carrying amount at year end is £130,765 (2015 - £Nil).

The loan is secured by a charge on the freehold property of the Company.

Included in the loans and borrowings are the following amounts due after more than five years:

Bank loans and overdrafts after five years

Bank loan is repayable over ten years at an interest rate of 4.5%. The balance due after five years totals £65,665.

10 Transition to FRS 102

The financial statements for the year ended 31st December 2016 are the first financial statements that comply with FRS 102 section 1A applicable to small entities. The transition to FRS 102 section 1A has not resulted in any material amendments or adjustments arising as a result of changes in accounting policy.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.