

Registration number: 03704025

Walkersteel Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2018

Howard & Co
10-12 Wellington Street
(St Johns)
Blackburn
Lancashire
BB1 8AG



Walkersteel Limited

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Walkersteel Limited

Company Information

Directors	Mr H R Pilkington Mr J K Dodgeon
Registered office	Walker House Bridge Street Industrial Estate Church Accrington Lancashire BB5 4HU
Solicitors	Napthens LLP Darwen House Walker Business Park Blackburn Lancashire BB1 2QE
Bankers	National Westminster Bank Plc Preston Bolton Customer Service Centre PO Box 2027 Parklands De Havilland Way Horwich Lancashire BL6 4YU
Auditors	Howard & Co 10-12 Wellington Street (St Johns) Blackburn Lancashire BB1 8AG

Walkersteel Limited

Strategic Report for the Year Ended 31 July 2018

The directors present their strategic report for the year ended 31 July 2018.

Principal activity

The principal activity of the company is metal processing and steel stockholding.

Fair review of the business

Commodity prices increased sharply during the latter half of the period resulting in increased turnover but at a reduced margin due to market competition.

Overall the directors and shareholders are happy with the performance of the company and continue to target further manageable organic growth. Capital expenditure has been funded within the period to enhance our operations in line with our growth. Our review is consistent with the size and nature of the business and is written in the context of uncertainties we face. We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole; being turnover, gross profit, operating profit and return on capital employed.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Turnover	£	12,314,791	10,894,358
Gross Profit	£	1,544,460	1,771,945
Operating profit	£	204,040	326,085
Profit before tax	£	156,055	287,322
Shareholders funds	£	729,060	723,805
Return on capital employed	%	26	40

Turnover has increased by 13.04% with its gross margin falling from last year's 16.26% to 12.54% this year which has translated to a fall of £227,485 at gross profit level.

Operating profit has decreased to £204,040 (1.66%) in comparison to last year £326,085 (2.99%) and profit before and after tax has decreased to £156,055 (2017 - £287,322). After deducting dividends paid, £5,255 has been added to reserves.

Return on capital employed has fallen to 26.4% (2017 - 40.31%). Return on capital employed is calculated as operating profit divided by capital employed. Capital employed is calculated as total assets less current liabilities.

The results of the company are set out in the financial statements.

During the year dividends amounting to £150,800 (2017 - £178,100) were paid by the company.

Walkersteel Limited


Strategic Report for the Year Ended 31 July 2018

Principal risks and uncertainties

The main risks and uncertainties for the business relate to the volatility of material prices.

The company undertakes regular reviews of the principal risks facing the business and, wherever possible, processes are put in place to monitor and minimise such risks.

Approved by the Board on 29 April 2019 and signed on its behalf by:



.....
Mr J K Dodgeon
Director

Walkersteel Limited

Directors' Report for the Year Ended 31 July 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

Directors of the company

The directors who held office during the year were as follows:

Mr H R Pilkington

Mr J K Dodgeon

Financial instruments

Objectives and policies

The company uses a variety of financial instruments including cash, borrowings, and various items such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for its operations.

The directors are of the view that the main risks arising from the company's financial instruments are liquidity risk, cash flow risk, price risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

Price risk, credit risk, liquidity risk and cash flow risk

The Company has some moderate exposure to a level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks through maintaining and building strong relationships with leading steel suppliers, long term customers and finance partners.

Liquidity risk and cash flow risk

The company seeks to manage these risks by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Price risk

The company is exposed to foreign transaction exchange risk. Transaction exposures are minimised wherever possible by careful review of market rates. Fluctuations in metal prices are reviewed on a regular basis and taken into consideration when placing orders and setting the selling price of the goods and services that it supplies.

Credit risk

The company's principal financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29 April 2019 and signed on its behalf by:



Mr J K Dodgeon
Director

Walkersteel Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Walkersteel Limited

Independent Auditor's Report to the Members of Walkersteel Limited

Opinion

We have audited the financial statements of Walkersteel Limited (the 'company') for the year ended 31 July 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Financial Reporting Standard 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 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Walkersteel Limited

Independent Auditor's Report to the Members of Walkersteel Limited

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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities [set out on page 5], 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:

Walkersteel Limited

Independent Auditor's Report to the Members of Walkersteel Limited

- 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 company's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.



Mr Neil Howard FCA (Senior Statutory Auditor)
For and on behalf of Howard & Co, Statutory Auditor

10-12 Wellington Street
(St Johns)
Blackburn
Lancashire
BB1 8AG

29 April 2019

Walkersteel Limited

Profit and Loss Account for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Turnover	3	12,314,791	10,894,358
Cost of sales		<u>(10,770,331)</u>	<u>(9,122,413)</u>
Gross profit		1,544,460	1,771,945
Administrative expenses		(1,472,920)	(1,482,160)
Other operating income	4	<u>132,500</u>	<u>36,300</u>
Operating profit	6	<u>204,040</u>	<u>326,085</u>
Interest payable and similar expenses	7	<u>(47,985)</u>	<u>(38,763)</u>
		<u>(47,985)</u>	<u>(38,763)</u>
Profit before tax		<u>156,055</u>	<u>287,322</u>
Profit for the financial year		<u>156,055</u>	<u>287,322</u>

The above results were derived from continuing operations.

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

Walkersteel Limited

Statement of Comprehensive Income for the Year Ended 31 July 2018

	2018 £	2017 £
Profit for the year	<u>156,055</u>	<u>287,322</u>
Total comprehensive income for the year	<u><u>156,055</u></u>	<u><u>287,322</u></u>

Walkersteel Limited


(Registration number: 03704025)
Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	657,864	699,017
Current assets			
Stocks	13	1,203,887	1,230,392
Debtors	14	5,105,914	3,862,324
Cash at bank and in hand		326,591	460,365
		<u>6,636,392</u>	<u>5,553,081</u>
Creditors: Amounts falling due within one year	16	<u>(6,522,023)</u>	<u>(5,443,090)</u>
Net current assets		<u>114,369</u>	<u>109,991</u>
Total assets less current liabilities		<u>772,233</u>	<u>809,008</u>
Creditors: Amounts falling due after more than one year	16	<u>(43,173)</u>	<u>(85,203)</u>
Net assets		<u>729,060</u>	<u>723,805</u>
Capital and reserves			
Called up share capital	18	465,913	465,913
Profit and loss account		263,147	257,892
Total equity		<u>729,060</u>	<u>723,805</u>

Approved and authorised by the Board on 29 April 2019 and signed on its behalf by:



.....
Mr H R Pilkington
Director



.....
Mr J K Dodgeon
Director

Walkersteel Limited

Statement of Changes in Equity for the Year Ended 31 July 2018

	Share capital £	Profit and loss account £	Total £
At 1 August 2017	465,913	257,892	723,805
Profit for the year	-	156,055	156,055
Total comprehensive income	-	156,055	156,055
Dividends	-	(150,800)	(150,800)
At 31 July 2018	<u>465,913</u>	<u>263,147</u>	<u>729,060</u>
	Share capital £	Profit and loss account £	Total £
At 1 August 2016	465,913	148,670	614,583
Profit for the year	-	287,322	287,322
Total comprehensive income	-	287,322	287,322
Dividends	-	(178,100)	(178,100)
At 31 July 2017	<u>465,913</u>	<u>257,892</u>	<u>723,805</u>

The notes on pages 13 to 25 form an integral part of these financial statements.
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Notes to the Financial Statements for the Year Ended 31 July 2018

1 General information

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

The address of its registered office is:

Walker House
Bridge Street Industrial Estate
Church
Accrington
Lancashire
BB5 4HU
England

These financial statements were authorised for issue by the Board on 29 April 2019.

The principal activities of the company are detailed in the Strategic Report on page two of these financial statements.

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 for the year ended 31st July 2018 of Walkersteel Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

These financial statements are presented in Sterling, which is the functional currency of the company and are rounded to the nearest pound.

Summary of disclosure exemptions

In accordance with FRS 102 Section 1.12 the company as a qualifying entity, has taken advantage of the exemptions from the following disclosure requirements:

Section 7 'Statement of Cash Flows' - Presentation of a Cash Flow and related notes and disclosures.

Name of parent of group

These financial statements are consolidated in the financial statements of Walkerbridge Limited.

The financial statements of Walkerbridge Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Judgements and key sources of estimation uncertainty

In application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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.

Government grants

Government grants are recognised at the fair value of the asset received when there is a reasonable assurance that the grant conditions will be met.

The government grant is released to the profit and loss account in line with the depreciation of the associated asset.

Foreign currency transactions and balances

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at dates of transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Tax

The tax expense for the period comprises current and 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 group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. 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.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

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
Other property, plant and equipment	Between 6.67% and 33% straightline
Tenant improvements	20% straightline

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.

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.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

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.

The cost of any unused holiday entitlement is recognised in the period in which employee's services are received.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. 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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which employee's services are received.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Sale of goods	<u>12,314,791</u>	<u>10,894,358</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018 £	2017 £
Government grants	14,800	14,800
Sub lease rental income	-	21,500
Management charges receivable	<u>117,700</u>	<u>-</u>
	<u>132,500</u>	<u>36,300</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2018 £	2017 £
Gain (loss) on disposal of property, plant and equipment	<u>14,670</u>	<u>5,000</u>

6 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	127,266	103,307
Profit on disposal of property, plant and equipment	<u>(14,670)</u>	<u>(5,000)</u>

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	3,534	3,983
Interest on obligations under finance leases and hire purchase contracts	2,907	-
Other finance costs	<u>41,544</u>	<u>34,780</u>
	<u>47,985</u>	<u>38,763</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	509,948	484,582
Pension costs, defined contribution scheme	30,036	23,644
Other employee expense	7,995	3,951
	<u>547,979</u>	<u>512,177</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Production	14	13
Administration and support	7	7
	<u>21</u>	<u>20</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	30,480	81,922
Contributions paid to money purchase schemes	11,556	11,293
	<u>42,036</u>	<u>93,215</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

10 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>10,500</u>	<u>10,200</u>
Other fees to auditors		
All other assurance services	<u>7,900</u>	<u>-</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

11 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	156,055	287,322
Corporation tax at standard rate	29,650	54,591
Effect of tax losses	(40,774)	(37,564)
Tax increase (decrease) from effect of capital allowances and depreciation	(9,192)	(26,585)
Other tax effects for reconciliation between accounting profit and tax expense (income)	20,316	9,558
Total tax charge/(credit)	-	-

The company has estimated losses of £5,018,790 (2017 - £4,979,355) available to carry forward against future trading profits.

12 Tangible assets

	Tenant improvements £	Asset under construction £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 August 2017	54,502	162,133	1,291,839	1,508,474
Additions	6,756	-	187,335	194,091
Disposals	-	-	(221,440)	(221,440)
At 31 July 2018	61,258	162,133	1,257,734	1,481,125
Depreciation				
At 1 August 2017	5,620	-	803,836	809,456
Charge for the year	11,520	-	115,746	127,266
Eliminated on disposal	-	-	(113,461)	(113,461)
At 31 July 2018	17,140	-	806,121	823,261
Carrying amount				
At 31 July 2018	44,118	162,133	451,613	657,864
At 31 July 2017	48,881	162,133	488,003	699,017

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Other property, plant and equipment	<u>63,904</u>	<u>81,875</u>

During the year ended 31st July 2018 an amount of £17,971 (2017 - £3,330) was charged in respect of depreciation on these assets.

13 Stocks

	2018 £	2017 £
Raw materials and consumables	<u>1,203,887</u>	<u>1,230,392</u>

14 Debtors

	Note	2018 £	2017 £
Trade debtors		3,645,719	3,074,598
Amounts owed by related parties	22	932,175	381,348
Other debtors		358,020	227,692
Prepayments		109,205	132,185
Taxation		<u>60,795</u>	<u>46,501</u>
Total current trade and other debtors		<u>5,105,914</u>	<u>3,862,324</u>

15 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	3	3
Cash at bank	<u>326,588</u>	<u>460,362</u>
	326,591	460,365
Bank overdrafts	<u>(2,793,092)</u>	<u>(2,005,575)</u>
Cash and cash equivalents in statement of cash flows	<u>(2,466,501)</u>	<u>(1,545,210)</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

16 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	19	2,820,322	2,031,860
Trade creditors		3,503,213	3,134,579
Social security and other taxes		72,919	32,449
Outstanding defined contribution pension costs		3,409	2,042
Other payables		76	-
Accrued expenses		107,284	227,360
Deferred income		14,800	14,800
		<u>6,522,023</u>	<u>5,443,090</u>
Due after one year			
Loans and borrowings	19	28,373	55,603
Deferred income		14,800	29,600
		<u>43,173</u>	<u>85,203</u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £30,036 (2017 - £23,644).

Contributions totalling £3,409 (2017 - £2,042) were payable to the scheme at the end of the year and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	<u>465,913</u>	<u>465,913</u>	<u>465,913</u>	<u>465,913</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

19 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Hire purchase contracts	<u>28,373</u>	<u>55,603</u>
	2018 £	2017 £
Current loans and borrowings		
Invoice discounting facility	2,793,092	2,005,575
Hire purchase contracts	<u>27,230</u>	<u>26,285</u>
	<u>2,820,322</u>	<u>2,031,860</u>

Included within loans and borrowings is an amount due to The Royal Bank of Scotland plc under an invoice discounting facility amounting to £2,793,092 (2017 - £2,005,575) which is secured by fixed and floating charges over the assets of the company. Hire purchase contracts included within loans and borrowings are secured on the assets to which they relate.

20 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	27,230	26,285
Later than one year and not later than five years	<u>28,373</u>	<u>55,603</u>
	<u>55,603</u>	<u>81,888</u>

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	120,000	120,000
Later than one year and not later than five years	<u>240,000</u>	<u>360,000</u>
	<u>360,000</u>	<u>480,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £105,000 (2017 - £99,500).

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

21 Dividends

Interim dividends paid

	2018 £	2017 £
Interim dividend of £0.3236 (2017 - £0.3823) per each Ordinary share	<u>150,800</u>	<u>178,100</u>

22 Related party transactions

No fixed repayment terms were in force and no interest was charged

Transactions with directors

	At 1 August 2017 £	Advances to directors £	Repayments by director £	At 31 July 2018 £
2018				
Mr J K Dodgeon				
Director's loan account	<u>145,554</u>	<u>44,958</u>	<u>(16,263)</u>	<u>174,250</u>
	<u>145,554</u>	<u>44,958</u>	<u>(16,263)</u>	<u>174,250</u>
Mr H R Pilkington				
Director's loan account	<u>66,339</u>	<u>21,832</u>	<u>(11,223)</u>	<u>76,948</u>
	<u>66,339</u>	<u>21,832</u>	<u>(11,223)</u>	<u>76,948</u>
	At 1 August 2016 £	Advances to directors £	Repayments by director £	At 31 July 2017 £
2017				
Mr J K Dodgeon				
Director's loan account	<u>92,462</u>	<u>53,092</u>	<u>-</u>	<u>145,554</u>
	<u>92,462</u>	<u>53,092</u>	<u>-</u>	<u>145,554</u>
Mr H R Pilkington				
Director's loan account	<u>72,065</u>	<u>-</u>	<u>(5,726)</u>	<u>66,339</u>
	<u>72,065</u>	<u>-</u>	<u>(5,726)</u>	<u>66,339</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Summary of transactions with parent

Walkerbridge Limited

Loan to parent company and recharge of certain costs to parent company.

No fixed repayment terms were in force and no interest was charged.

Walkersteel Limited also gave an unlimited guarantee against bank borrowings of Walkerbridge Limited.

During the year ended 31st July 2018 the company also occupied property owned by the parent company and paid a commercial rent.

Summary of transactions with entities with joint control or significant interest

Spire CS Limited (a company controlled by Walkerbridge Limited) - Inter company loan.

No fixed repayment terms were in force and no interest was charged.

Summary of transactions with other related parties

Mr P Wilkinson

Former director

No fixed repayment terms were in force and no interest was charged.

Income and receivables from related parties

2018

Receipt of services

Amounts receivable from related party

Entities with
joint control or
significant
influence
£

52,859

14,972

Entities with
joint control or
significant
influence
£

102,339

64,312

2017

Sale of goods

Amounts receivable from related party

Expenditure with and payables to related parties

2018

Leases

Amounts payable to related party

Parent
£

15,000

13,000

There were no transactions of this nature during the year ended 31st July 2017.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Loans to related parties

	Parent	Entities with joint control or significant influence	Other related parties
	£	£	£
2018			
At start of period	41,558	288,371	14,805
Advanced	551,504	190,840	336
Repaid	(33,900)	(108,170)	(4,588)
At end of period	<u>559,162</u>	<u>371,041</u>	<u>10,553</u>
	Parent	Entities with joint control or significant influence	Other related parties
	£	£	£
2017			
At start of period	25,000	156,495	20,924
Advanced	27,448	378,558	-
Repaid	(10,890)	(246,682)	(6,119)
At end of period	<u>41,558</u>	<u>288,371</u>	<u>14,805</u>

23 Parent and ultimate parent undertaking

Walkerbridge Limited owns 100% of the share capital of Walkersteel Limited.

The company's immediate parent is Walkerbridge Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Walkerbridge Limited. These financial statements are available upon request from the company's registered office.

Relationship between entity and parent

The parent of the largest group in which these financial statements are consolidated is Walkerbridge Limited, incorporated in England and Wales.

The address of Walkerbridge Limited is:
Walker House, Bridge Street Industrial Estate, Church, Accrington, Lancashire, BB5 4HU.