

Walkersteel Limited

Annual Report and Financial Statements
for the Year Ended 30 April 2022

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

Walkersteel Limited

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Walkersteel Limited

Company Information

Directors	Mr HR 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 30 April 2022

The directors present their strategic report for the year ended 30 April 2022.

Principal activity

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

Fair review of the business

Commodity prices have remained high during the year with demand far outweighing supply in the market as a whole, this has led to increases in turnover and gross margin.

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	2022	2021
Turnover	£	25,610,056	11,950,828
Gross Profit	£	5,569,319	2,390,679
Operating profit	£	2,912,967	910,384
Profit before tax	£	2,825,333	885,517
Shareholders funds	£	3,156,746	1,651,413
Return on capital employed	%	82	42

Turnover on a pro rata basis has increased by 60.72% with its gross margin improving from the previous period's 20.00% to 21.75% culminating in an increase of £3,178,640 at gross profit level.

Increases in turnover and gross profit are as a result of increased commodity prices which have occurred due to a shortage of materials in the market as a whole. Such shortages are a result of shipping restrictions from the Far East which have been imposed as a result of the Covid-19 pandemic which continues to be problematic for businesses on a global scale. This problem has been exacerbated somewhat by the ongoing situation in Ukraine which started to affect the global economy in the final quarter of the year.

The company has taken advantage of government backed measures to alleviate the impact on its business of the Covid-19 pandemic such as the job retention scheme.

Operating profit has increased to £2,912,967 (11.37%) in comparison to the previous period's £910,384 (7.62%) resulting in an increase in profit before tax to £2,825,333 (2021 - £885,517). Dividends of £1,320,000 (2021 - £70,000) were paid during the period.

Return on capital employed has increased to 81.83% (2021 - 42.57%). 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.

Walkersteel Limited

Strategic Report for the Year Ended 30 April 2022

Principal risks and uncertainties

Current principal risks and uncertainties include the volatility of materials prices caused by uncertainty over the UK's economic recovery, the effects of Britain's withdrawal from the European Union, the risks of the continuing Covid-19 pandemic and the current situation in Ukraine, not only on our own operations but on the operations of key members of our supply chain.

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

Approved and authorised by the Board on 19 August 2022 and signed on its behalf by:

.....

Mr J K Dodgeon

Director

Walkersteel Limited

Directors' Report for the Year Ended 30 April 2022

The directors present their report and the financial statements for the year ended 30 April 2022.

Director of the company

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

Mr HR 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 and authorised by the Board on 19 August 2022 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 30 April 2022, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2022 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 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 director's 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 original financial statements were 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.

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit and the current Covid-19 global pandemic, and analysed how these risks might impact the company's financial resources and ability to continue to adopt the going concern basis of accounting for a period of twelve months from the date when the financial statements are authorised for use. Our evaluation concluded that these risks were not significant enough for us to perform additional audit procedures.

Walkersteel Limited

Independent Auditor's Report to the Members of Walkersteel Limited

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.

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.

Walkersteel Limited

Independent Auditor's Report to the Members of Walkersteel Limited

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement 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.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, health and safety regulations, occupational health and employment legislation.
- We enquired of the directors, reviewed correspondence with HMRC and reviewed directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the directors have in place to ensure compliance.
- We gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Walkersteel Limited

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.

.....
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

19 August 2022

Walkersteel Limited

Profit and Loss Account for the Year Ended 30 April 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	25,610,056	11,950,828
Cost of sales		<u>(20,040,737)</u>	<u>(9,560,149)</u>
Gross profit		5,569,319	2,390,679
Administrative expenses		(2,660,352)	(1,513,502)
Other operating income	<u>4</u>	<u>4,000</u>	<u>33,207</u>
Operating profit	<u>6</u>	2,912,967	910,384
Interest payable and similar expenses	<u>7</u>	<u>(87,634)</u>	<u>(24,867)</u>
Profit before tax		2,825,333	885,517
Tax on profit	<u>11</u>	<u>-</u>	<u>(9,900)</u>
Profit for the financial year		<u><u>2,825,333</u></u>	<u><u>875,617</u></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 30 April 2022

	2022 £	2021 £
Profit for the year	<u>2,825,333</u>	<u>875,617</u>
Total comprehensive income for the year	<u><u>2,825,333</u></u>	<u><u>875,617</u></u>

Walkersteel Limited

(Registration number: 03704025)

Balance Sheet as at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>12</u>	951,019	835,147
Current assets			
Stocks	<u>13</u>	2,980,945	1,580,399
Debtors	<u>14</u>	8,812,157	6,592,315
Cash at bank and in hand		220,541	1,450,825
		12,013,643	9,623,539
Creditors: Amounts falling due within one year	<u>16</u>	(9,404,980)	(8,320,041)
Net current assets		2,608,663	1,303,498
Total assets less current liabilities		3,559,682	2,138,645
Creditors: Amounts falling due after more than one year	<u>16</u>	(402,936)	(487,232)
Net assets		<u>3,156,746</u>	<u>1,651,413</u>
Capital and reserves			
Called up share capital		465,913	465,913
Profit and loss account		2,690,833	1,185,500
Shareholders' funds		<u>3,156,746</u>	<u>1,651,413</u>

Approved and authorised by the Board on 19 August 2022 and signed on its behalf by:

.....

Mr J K Dodgeon

Director

Walkersteel Limited

Statement of Changes in Equity for the Year Ended 30 April 2022

	Share capital £	Profit and loss account £	Total £
At 1 May 2021	465,913	1,185,500	1,651,413
Profit for the year	-	2,825,333	2,825,333
Total comprehensive income	-	2,825,333	2,825,333
Dividends	-	(1,320,000)	(1,320,000)
At 30 April 2022	465,913	2,690,833	3,156,746

	Share capital £	Profit and loss account £	Total £
At 1 August 2020	465,913	379,883	845,796
Profit for the year	-	875,617	875,617
Total comprehensive income	-	875,617	875,617
Dividends	-	(70,000)	(70,000)
At 30 April 2021	465,913	1,185,500	1,651,413

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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
United Kingdom

These financial statements were authorised for issue by the Board on 19 August 2022.

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 30th April 2022 of Walkersteel Limited have been 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.

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.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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

The company has received a revenue grant in the form of the Job Retention Scheme in respect of furloughed staff. Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

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.

Tangible assets

Tangible assets are stated in the balance sheet 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

Other property, plant and equipment

Depreciation method and rate

Between 6.67% and 33% straightline

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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.

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.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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 30 April 2022

3 Revenue

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

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Sale of goods	25,610,056	11,950,828

4 Other operating income

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

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Government grants	4,000	33,207

5 Other gains and losses

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

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Gain/(loss) on disposal of property, plant and equipment	12,500	(3,960)

6 Operating profit

Arrived at after charging/(crediting)

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Depreciation expense	230,622	121,974
(Profit)/loss on disposal of property, plant and equipment	(12,500)	3,960

7 Interest payable and similar expenses

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Interest on bank overdrafts and borrowings	29,685	-
Interest on obligations under hire purchase contracts	11,709	3,283
Interest expense on other finance liabilities	414	-
Other finance costs	45,826	21,584
	87,634	24,867

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

8 Staff costs

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

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Wages and salaries	715,396	334,630
Social security costs	57,822	29,070
Pension costs, defined contribution scheme	39,732	43,083
Other employee expense	17,204	3,180
	<u>830,154</u>	<u>409,963</u>

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

	2022 No.	2021 No.
Production	20	13
Administration and support	7	5
	<u>27</u>	<u>18</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Remuneration	30,873	15,626
Contributions paid to money purchase schemes	4,166	6,249
	<u>35,039</u>	<u>21,875</u>

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

	Year ended 30 April 2022 No.	1 August 2020 to 30 April 2021 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

10 Auditors' remuneration

	Period ended 30 April 2022 £	1 August 2020 to 30 April 2021 £
Audit of the financial statements	9,000	9,000
Other fees to auditors		
All other assurance services	7,000	4,813

11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	-	-
	-	-
Deferred taxation		
Arising from origination and reversal of timing differences	-	9,900
Tax expense in the income statement	-	9,900

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	2,825,333	885,517
Corporation tax at standard rate	536,813	168,248
Effect of expense not deductible in determining taxable profit (tax loss)	10,010	2,940
Effect of tax losses	(546,823)	(93,058)
Deferred tax expense from unrecognised tax loss or credit	-	9,900
Tax decrease from effect of capital allowances and depreciation	-	(78,130)
Total tax charge	-	9,900

The company has estimated losses of £1,481,296 (2021 - £4,239,542) available to carry forward against future trading profits.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Deferred tax

Deferred tax assets and liabilities

	Asset £
2022	
Deferred tax asset	55,600
	<hr/>
	Asset £
2021	
Deferred tax asset	55,600
	<hr/>

12 Tangible assets

	Tenant improvements £	Asset under construction £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 May 2021	64,808	212,245	1,738,551	2,015,604
Additions	-	63,043	283,451	346,494
Transfers	50,112	(212,245)	162,133	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2022	114,920	63,043	2,184,135	2,362,098
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 May 2021	52,060	-	1,128,397	1,180,457
Charge for the period	12,045	-	218,577	230,622
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2022	64,105	-	1,346,974	1,411,079
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 30 April 2022	<hr/>	<hr/>	<hr/>	<hr/>
	50,815	63,043	837,161	951,019
At 30 April 2021	<hr/>	<hr/>	<hr/>	<hr/>
	12,748	212,245	610,154	835,147

Assets held under hire purchase contracts

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

	2022 £	2021 £
Other property, plant and equipment	307,634	233,997
	<hr/>	<hr/>

During the year ended 30th April 2022 an amount of £59,340 (2021 - £22,590) was charged in respect of depreciation on these assets.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

13 Stocks

	2022 £	2021 £
Raw materials and consumables	2,980,945	1,580,399

14 Debtors

	Note	2022 £	2021 £
Trade debtors		7,260,353	5,055,008
Amounts owed by related parties	<u>21</u>	876,735	938,621
Other debtors		459,924	375,845
Prepayments		61,653	93,378
Deferred tax assets	<u>11</u>	55,600	55,600
Taxation		97,892	73,863
		8,812,157	6,592,315
Less non-current portion		(27,800)	(27,800)
Total current trade and other debtors		8,784,357	6,564,515

Details of non-current trade and other debtors

£27,800 (2021 -£27,800) of the deferred tax asset is classified as non current.

15 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	1,965	-
Cash at bank	218,576	1,450,825
	220,541	1,450,825
Bank overdrafts	(3,119,763)	(3,153,876)
Cash and cash equivalents in statement of cash flows	(2,899,222)	(1,703,051)

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

16 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>19</u>	3,319,823	4,254,072
Trade creditors		5,478,639	3,931,120
Social security and other taxes		144,991	78,596
Outstanding defined contribution pension costs		876	2,297
Accrued expenses		<u>460,651</u>	<u>53,956</u>
		<u>9,404,980</u>	<u>8,320,041</u>
Due after one year			
Loans and borrowings	<u>19</u>	<u>402,936</u>	<u>487,232</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 £39,732 (2021 - £43,083).

Contributions totalling £876 (2021 - £2,297) 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

	2022		2021	
	No.	£	No.	£
Ordinary share of £1 each	465,913	465,913	465,913	465,913

19 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	200,432	325,000
Hire purchase contracts	<u>202,504</u>	<u>162,232</u>
	<u>402,936</u>	<u>487,232</u>

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	154,576	1,075,000
Invoice discounting facility	3,119,763	3,153,876
Hire purchase contracts	45,484	25,196
	<u>3,319,823</u>	<u>4,254,072</u>

Included within loans and borrowings is an amount due to The Royal Bank of Scotland plc under an invoice discounting facility amounting to £3,109,097 (2021 - £3,147,876) 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:

	2022 £	2021 £
Not later than one year	45,484	25,196
Later than one year and not later than five years	202,504	162,232
	<u>247,988</u>	<u>187,428</u>

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	78,000	42,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £78,000 (2021 - £65,000).

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

21 Related party transactions

Transactions with directors

	At 1 May 2021 £	Repayments by director £	At 30 April 2022 £
2022			
Mr J K Dodgeon			
Director's loan account	194,874	(9,297)	185,577
Mr HR Pilkington			
Director's loan account	44,339	(8,327)	36,012

No fixed repayment terms were in force and no interest was charged in respect of Directors Loans.

	At 1 August 2020 £	Advances to directors £	Repayments by director £	At 30 April 2021 £
2021				
Mr J K Dodgeon				
Director's loan account	238,531	54,119	(97,776)	194,874
Mr HR Pilkington				
Director's loan account	65,843	6,654	(28,158)	44,339

Summary of transactions with parent

Walkerbridge Limited

Loan to parent company and recharge of certain costs by 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.

Summary of transactions with entities with joint control or significant interest

Walkersteel Engineering Limited (a company controlled by Walkerbridge Limited) - sale of goods and year end trade debtor.

Walkersteel Laser Services Limited (a joint venture involving Walkersteel Limited) - intercompany 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.

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Income and receivables from related parties

	Entities with joint control or significant influence £
2022	
Sale of goods	1,568,327
Amounts receivable from related party	260,052
	Entities with joint control or significant influence £
2021	
Sale of goods	431,994
Receipt of services	10,000
	441,994
Amounts receivable from related party	319,286

Expenditure with and payables to related parties

	Parent £	Entities with joint control or significant influence £
2022		
Purchase of goods	13,370	-
Rendering of services	74,505	118,027
Leases	78,000	-
	165,875	118,027
Amounts payable to related party	59,244	14,278
	Parent £	
2021		
Purchase of goods	1,400	
Rendering of services	280,857	
Leases	65,000	
	347,257	
Amounts payable to related party	80,045	

Walkersteel Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Loans to related parties

	Parent	Entities with joint control or significant influence	Other related parties	Total
	£	£	£	£
2022				
At start of period	655,300	247,949	8,530	911,779
Advanced	113,387	-	-	113,387
Repaid	(58,000)	(147,949)	-	(205,949)
Impairment	-	-	(8,530)	(8,530)
At end of period	710,687	100,000	-	810,687
	Parent	Entities with joint control or significant influence	Other related parties	Total
	£	£	£	£
2021				
At start of period	655,300	336,179	8,530	1,000,009
Advanced	-	113,280	-	113,280
Repaid	-	(201,510)	-	(201,510)
At end of period	655,300	247,949	8,530	911,779

Terms of loans to related parties

The loan with a former director of £8,530 was written off during the year.

22 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.

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