

Registered number: 00689647

A.J.N. STEELSTOCK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022



A.J.N. STEELSTOCK LTD

COMPANY INFORMATION

Directors	J Boyden A Boyden N Boyden N Cressall C Bell S Nolan C Sage C McGall L Olson (appointed 1 May 2022)
Registered number	00689647
Registered office	Icknield Way Kentford Newmarket Suffolk CB8 7QT
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Bankers	Lloyds TSB Bank Plc 28 Risbygate Street Bury St Edmunds Suffolk IP33 3AH

A.J.N. STEELSTOCK LTD

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 7
Independent auditors' report	8 - 11
Statement of comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Statement of cash flows	15
Analysis of net debt	16
Notes to the financial statements	17 - 30

A.J.N. STEELSTOCK LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2022

Introduction

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Business review

2022 has proved to be another successful year as far as the results and the financial position of the company are concerned under the current circumstances.

Once again despite ongoing concerns in respect of COVID 19 and the volatility within the industry we have managed to take advantage of the market conditions and increase the profitability of the company to an unprecedented level.

Both the Kentford and Henstridge facilities have been operating as we intended and are roughly on a par with each other in terms of production and output.

The market experienced a fairly volatile year and has seen prices rising once again to unprecedented levels. This is caused by a multitude of factors ranging from the hangover from Covid 19 and Brexit, the war in Ukraine and the subsequent knock on effect on energy prices, raw materials and haulage.

As in previous years our competitors continue to astound us with the lack of commercial reality, seemingly falling over themselves to drive themselves out of business, some not for the first time, but this is their problem and we are confident that our proven reliability and high levels of service allow us to compete with anyone in the market place.

Principal risks and uncertainties

Management continue to monitor risks to the business. Key business risks principally relate to market competition. Business risks are reviewed regularly by management and appropriate processes are put in place to monitor and mitigate their impact.

The Company is exposed to a variety of financial risks which include the following:

Price risk

The price of steel fluctuates, primarily due to change in the cost of the raw materials and also demand. Fluctuations in metal prices are reviewed on a regular basis and taken into consideration when placing purchase orders and setting sales price.

Interest rate risk

The Company's policy is to manage its cost of borrowing using a mix of debt types.

Exposure to credit and cash flow risks.

Liquidity risk is the risk that an entity (creditor) will encounter difficulty in meeting it's obligations associated with financial liabilities. Cash flow risk is the risk of exposure or variability in cash flows caused by late payments. The Company aims to mitigate liquidity and cash flow risks by insuring its trade debtors and exercising strong credit control procedures.

A.J.N. STEELSTOCK LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

Financial key performance indicators

We consider that our key performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being turnover, gross profit percentage and the percentage increase/(decrease) in the tonnage sold during the year.

The turnover, gross profit margin and percentage increase/(decrease) in the tonnage sold for the last five years were:

	Turnover (£'000)	Gross Margin (%)	Percentage change in Tonnes sold (%)
2022	241,594	14	1.5
2021	150,979	16	10.9
2020	131,803	11.2	(3.2)
2019	136,779	9.8	10.4
2018	117,796	10.7	14.2

Other key performance indicators

Operationally the Company also uses stock turnover, tonnage delivered per employee and errors per tonnage delivered to monitor performance.

The Company also monitors staff turnover levels as a measure of employee satisfaction. Details of the number of employees can be found in note 8 of the financial statements.

All measures in the year were broadly on track and gave the management no exceptional cause for concern.

A.J.N. STEELSTOCK LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Directors' statement of compliance with duty to promote the success of the Company

Under S172 of the Companies Act 2006 the directors have a duty to promote the success of the company for the benefit of the members as a whole and they are required to describe how they had regard to the following matters when performing their duties:

- a) the consequence of decisions in the long term;
- b) the interests of employees;
- c) the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and environment;
- e) the desirability of maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the company.

The company's key stakeholders comprise its employees, suppliers, customers and shareholders. The management always consider the interests of these stakeholders when making any decisions.

The company has an average workforce of 329 people, with whom the management maintain a good working relationship and open dialogue through many formal and informal meetings where employee views are sought. The turnover rate of staff is considered important and monitored closely. The Health and Safety of staff is of paramount importance in the business.

Close relationships with key suppliers are facilitated by regular conversations and meetings. The company endeavours to pay its suppliers promptly and on agreed and reasonable terms believing they are vital to continued success.

Management frequently meets with key customers to ensure a good ongoing relationship and to ensure that they can understand and react to changes in customer requirements.

The directors do not believe that the company has a significant impact on the community and environment, however they are conscious of ensuring operations have no harmful effect on either.

The directors recognise the importance of maintaining a reputation for high standards and this is promoted informally throughout the company.

This report was approved by the board on 19 Oct 2022

and signed on its behalf.

Neil Boyden

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N Boyden
Director

A.J.N. STEELSTOCK LTD

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.

Directors

The directors who served during the year were:

J Boyden
A Boyden
N Boyden
N Cressall
C Bell
S Nolan
C Sage
C McGall

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £15,908,759 (2021 - £11,725,941).

The Directors' recommend the payment of a dividend this year of £4,037,000 (2021 - £4,889,500).

Political contributions

During the year the Company made charitable donations totalling £202,135 (2021 - £92,593).

Future developments

The Directors are not aware of any significant future developments affecting the company.

A.J.N. STEELSTOCK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

Research and development activities

No significant research and development activities were undertaken during the course of the year nor for the prior year.

Engagement with employees

The Company keeps employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the Company. There are procedures in place for employees to make their views known to management so that the flow of information is maintained

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies having regard to their particular aptitudes and abilities. They are given equal treatment during their employment in regard to training, employment and career development.

In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Company may continue.

A.J.N. STEELSTOCK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The company has dual reported both its market and location-based emissions for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the GHG emissions for the year ended 30 April 2022. As a business, we have been assessing our carbon emissions since 1 May 2019, and have provided the previous year's assessment results for comparison below.

Element	Location-based 2021/22 (tCO2e)	Market-based 2021/22 (tCO2e)
Direct emissions (Scope 1) – Site LPG, site gas oil, and company vehicle fleet	4,682.89	4,682.89
Indirect emissions (Scope 2) - Purchased electricity	900.21	0.00
Total tCO2e (Scope 1 & 2)	5,583.10	4,682.89
Other indirect emissions (Scope 3) – grey fleet travel and hired vehicles	87.18	7.51
Total tCO2e (Scope 3)	87.18	7.51
Gross Total Tonnes of CO2e	7,490.80	6,510.93
Intensity metric: Tonnes of CO2e per employee (all scopes)	17.58	15.28
Intensity metric: Tonnes of CO2e per £M turnover (all scopes)	31.00	26.95
Intensity metric: Tonnes of CO2e per tonne of steel (all scopes)	0.04	0.03
Total energy consumption (kWh)	32,554,505	32,554,505

We are delighted to be able to show we have reduced our location-based greenhouse gas emissions per £M turnover by 36.7% since last year. This has been achieved by implementing several energy and carbon savings measures.

Next year we are also looking complete a detailed Energy Savings Opportunity Scheme (ESOS) energy audit (phase 3) of our energy use and will have additional recommendations to implement. In addition, 100% of our electricity is sourced from renewable energy.

Activity	Current Year 2021/22	Previous Year 2020/21
Total energy consumed (kWh)	32,554,505	31,385,246
Total Gross Location-Based Emissions (tCO2e)*	7,490.80	7,318.84
Total Gross Market-Based Emissions (tCO2e)	6,510.93	6,364.05
Intensity ratio: tCO2e (gross Scope 1 & 2, market-based) per £M revenue	17.58	47.86

*Site LPG, electricity, gas oil, lorry, car, van, grey fleet & hire car travel.

A.J.N. STEELSTOCK LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 19 Oct 2022

and signed on its behalf.

Neil Boyden

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N Boyden
Director

A.J.N. STEELSTOCK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.J.N. STEELSTOCK LTD

Opinion

We have audited the financial statements of A.J.N. Steelstock Ltd (the 'Company') for the year ended 30 April 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

A.J.N. STEELSTOCK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.J.N. STEELSTOCK LTD (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.J.N. STEELSTOCK LTD (CONTINUED)

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiries of management including those responsible for key regulations;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

A.J.N. STEELSTOCK LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A.J.N. STEELSTOCK LTD (CONTINUED)

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 Auditors' 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.

Andrew Booth (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

Date: 21 October 2022

A.J.N. STEELSTOCK LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022**

	Note	2022 £	2021 £
Turnover	4	241,593,643	150,978,727
Cost of sales		207,776,878)	126,205,410)
Gross profit		<u>33,816,765</u>	<u>24,773,317</u>
Administrative expenses		(14,150,341)	(10,506,196)
Other operating income	5	-	376,174
Operating profit		<u>19,666,424</u>	<u>14,643,295</u>
Interest payable and similar expenses	10	(79,157)	(109,280)
Profit before tax		<u>19,587,267</u>	<u>14,534,015</u>
Tax on profit	11	(3,678,508)	(2,808,074)
Profit for the financial year		<u><u>15,908,759</u></u>	<u><u>11,725,941</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 17 to 30 form part of these financial statements.

A.J.N. STEELSTOCK LTD
REGISTERED NUMBER: 00689647

BALANCE SHEET
AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	16,646,615	16,642,448
Current assets			
Stocks	14	29,002,217	18,282,915
Debtors: amounts falling due within one year	15	55,126,604	39,482,391
Cash at bank and in hand	16	13,058,688	10,213,985
		<u>97,187,509</u>	<u>67,979,291</u>
Creditors: amounts falling due within one year	17	(69,011,897)	(51,526,687)
Net current assets		<u>28,175,612</u>	<u>16,452,604</u>
Total assets less current liabilities		<u>44,822,227</u>	<u>33,095,052</u>
Creditors: amounts falling due after more than one year	18	(1,154,158)	(1,409,151)
Provisions for liabilities			
Deferred tax	22	(697,521)	(587,112)
Net assets		<u><u>42,970,548</u></u>	<u><u>31,098,789</u></u>
Capital and reserves			
Called up share capital	23	12,000	12,000
Profit and loss account	24	42,958,548	31,086,789
		<u><u>42,970,548</u></u>	<u><u>31,098,789</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 Oct 2022



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A Boyden
 Director

The notes on pages 17 to 30 form part of these financial statements.

A.J.N. STEELSTOCK LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2020	12,000	24,250,348	24,262,348
Comprehensive income for the year			
Profit for the year	-	11,725,941	11,725,941
Total comprehensive income for the year	-	11,725,941	11,725,941
Contributions by and distributions to owners			
Dividends: Equity capital	-	(4,889,500)	(4,889,500)
Total transactions with owners	-	(4,889,500)	(4,889,500)
At 1 May 2021	12,000	31,086,789	31,098,789
Comprehensive income for the year			
Profit for the year	-	15,908,759	15,908,759
Total comprehensive income for the year	-	15,908,759	15,908,759
Contributions by and distributions to owners			
Dividends: Equity capital	-	(4,037,000)	(4,037,000)
Total transactions with owners	-	(4,037,000)	(4,037,000)
At 30 April 2022	12,000	42,958,548	42,970,548

The notes on pages 17 to 30 form part of these financial statements.

A.J.N. STEELSTOCK LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	15,908,759	11,725,941
Adjustments for:		
Depreciation of tangible assets	1,995,394	1,842,124
Loss on disposal of tangible assets	(15,671)	41,184
Interest paid	79,157	109,280
Taxation charge	3,678,508	2,808,074
(Increase) in stocks	(10,719,302)	(4,716,988)
(Increase) in debtors	(15,644,212)	(16,938,237)
Increase in creditors	19,608,379	28,168,877
Corporation tax (paid)	(4,057,910)	(972,304)
Net cash generated from operating activities	<u>10,833,102</u>	<u>22,067,951</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,629,901)	(1,476,745)
Sale of tangible fixed assets	87,000	78,718
HP interest paid	(63,370)	(71,967)
Net cash from investing activities	<u>(1,606,271)</u>	<u>(1,469,994)</u>
Cash flows from financing activities		
Repayment of loans	(62,862)	(1,774,962)
Repayment of/new finance leases	(1,215,902)	(193,518)
Dividends paid	(4,037,000)	(4,889,500)
Interest paid	(15,787)	(37,313)
Net cash used in financing activities	<u>(5,331,551)</u>	<u>(6,895,293)</u>
Net increase in cash and cash equivalents	<u>3,895,280</u>	<u>13,702,664</u>
Cash and cash equivalents at beginning of year	6,141,699	(7,560,965)
Cash and cash equivalents at the end of year	<u><u>10,036,979</u></u>	<u><u>6,141,699</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,058,688	10,213,985
Bank overdrafts	(3,021,709)	(4,072,286)
	<u><u>10,036,979</u></u>	<u><u>6,141,699</u></u>

The notes on pages 17 to 30 form part of these financial statements.

A.J.N. STEELSTOCK LTD

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 APRIL 2022**

	At 1 May 2021 £	Cash flows £	New finance leases £	At 30 April 2022 £
Cash at bank and in hand	10,213,985	2,844,703	-	13,058,688
Bank overdrafts	(4,072,286)	1,050,577	-	(3,021,709)
Debt due within 1 year	(62,862)	62,862	-	-
Finance leases	(2,805,176)	1,215,902	(440,989)	(2,030,263)
	<u>3,273,661</u>	<u>5,174,044</u>	<u>(440,989)</u>	<u>8,006,716</u>

The notes on pages 17 to 30 form part of these financial statements.

A.J.N. STEELSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. General information

A.J.N Steelstock Limited is a private limited liability company incorporated in England and Wales, United Kingdom. The registered office is Icknield Way, Kentford, Newmarket Suffolk, CB8 7QT.

The financial statements are presented in Pounds Sterling, which is the Company's functional currency and are rounded to the nearest pound.

The company is not part of a group therefore these financial statements cover the individual entity only.

The principal activity of the Company continued to be that of steel stockholders.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors continue to monitor cashflow closely and exercise tight credit control, and based on their forecasts, built up reserves and availability of further funding if required, consider it appropriate to continue to prepare the financial statements on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

A.J.N. STEELSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method or reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- evenly over 50 years
Plant and machinery	- over 5 - 10 years on a straight line basis
Motor vehicles	- 25% on the reducing balance basis
Fixtures and fittings	- over 5 years on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

A.J.N. STEELSTOCK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In application of the Company's accounting policies, the Directors are required to make significant judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions; actual results ultimately may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Details of the Company's significant accounting judgements and critical accounting estimates include:

Tangible Fixed Assets

Each year the Company reviews the estimated useful lives and residual values of tangible fixed assets and these are adjusted if appropriate. The depreciation rates are calculated according to the useful economic life that management believe to be appropriate based on the nature of the asset in operation.

Impairment of Trade Debtors

The recoverability of trade debtors has been assessed at the period end and up until the date of signing these financial statements. Management have made the decision to provide for any amounts based on their judgement of all the available information and their experience of the specific nature of the trade debtor in question.

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

4. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	376,174

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,995,394	1,840,691
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	32,500	27,250
(Profit)/loss on sale of tangible assets	(15,671)	41,184
Other operating lease rentals	134,547	145,156
Defined contribution pension cost	562,646	505,976

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	32,500	27,250

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	33,195,063	17,493,828
Social security costs	4,224,321	1,943,930
Cost of defined contribution scheme	562,646	505,976
	<u>37,982,030</u>	<u>19,943,734</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production and sales	329	328
Office and management	75	55
	<u>404</u>	<u>383</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	15,618,094	2,943,608
Company contributions to defined contribution pension schemes	58,882	32,665
	<u>15,676,976</u>	<u>2,976,273</u>

During the year retirement benefits were accruing to 7 directors (2021 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £7,043,719 (2021 - £847,726).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000 (2021 - £3,450).

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	4,052	37,313
Finance leases and hire purchase contracts	63,370	71,967
Other interest payable	11,735	-
	<u>79,157</u>	<u>109,280</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	3,568,099	2,763,506
	<u>3,568,099</u>	<u>2,763,506</u>
Deferred tax		
Origination and reversal of timing differences	110,409	44,568
	<u>110,409</u>	<u>44,568</u>
Taxation on profit on ordinary activities	<u>3,678,508</u>	<u>2,808,074</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	19,587,267	14,534,015
	<u>19,587,267</u>	<u>14,534,015</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	3,721,581	2,811,497
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	31,671	106,987
Capital allowances for year in excess of depreciation	(208,287)	(307,914)
Short-term timing difference leading to an increase (decrease) in taxation	110,409	44,568
Changes in provisions leading to an increase (decrease) in the tax charge	23,134	101,784
Other differences leading to an increase (decrease) in the tax charge	-	51,152
	<u>3,678,508</u>	<u>2,808,074</u>
Total tax charge for the year	<u>3,678,508</u>	<u>2,808,074</u>

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

11. Taxation (continued)

Factors that may affect future tax charges

From 1 April 2023, corporation tax is due to rise to 25%.

12. Dividends

	2022 £	2021 £
Declared in the year	4,037,000	4,889,500

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 May 2021	9,082,965	14,932,385	1,448,069	824,792	26,288,211
Additions	340,590	1,465,073	198,283	66,944	2,070,890
Disposals	-	(443,704)	(24,788)	-	(468,492)
At 30 April 2022	9,423,555	15,953,754	1,621,564	891,736	27,890,609
Depreciation					
At 1 May 2021	1,079,076	7,003,165	1,084,958	478,564	9,645,763
Charge for the year on owned assets	97,512	1,053,790	121,775	119,751	1,392,828
Charge for the year on financed assets	-	602,566	-	-	602,566
Disposals	-	(376,152)	(21,011)	-	(397,163)
At 30 April 2022	1,176,588	8,283,369	1,185,722	598,315	11,243,994
Net book value					
At 30 April 2022	8,246,967	7,670,385	435,842	293,421	16,646,615
At 30 April 2021	8,003,889	7,929,220	363,111	346,228	16,642,448

Included in land and buildings is freehold land at cost of £4,548,045 (2021 - £4,207,455) which is not depreciated.

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	3,125,016	5,585,228
	<u>3,125,016</u>	<u>5,585,228</u>

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	29,002,217	18,282,915
	<u>29,002,217</u>	<u>18,282,915</u>

15. Debtors

	2022 £	2021 £
Trade debtors	54,056,086	38,233,718
Other debtors	31,682	46,166
Prepayments and accrued income	1,038,836	1,202,507
	<u>55,126,604</u>	<u>39,482,391</u>

Included in trade debtors are balances totalling £54,056,086 (2021: £35,418,466), which are subject to a receivables finance agreement.

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	13,058,688	10,213,985
Less: bank overdrafts	(3,021,709)	(4,072,286)
	<u>10,036,979</u>	<u>6,141,699</u>

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	3,021,709	4,072,286
Bank loans	-	62,862
Trade creditors	38,706,718	32,041,500
Corporation tax	2,068,415	2,558,226
Other taxation and social security	3,562,058	1,945,010
Obligations under finance lease and hire purchase contracts	876,106	1,396,025
Other creditors	4,737,204	6,026,794
Accruals and deferred income	16,039,687	3,423,984
	<u>69,011,897</u>	<u>51,526,687</u>

Bank overdraft and loans are secured by an All Asset Debenture.

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	<u>1,154,158</u>	<u>1,409,151</u>

19. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	<u>-</u>	<u>62,862</u>

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

20. Hire purchase and finance leases

Hire purchases and finance leases primarily relate to plant and machinery as detailed in note 13.

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	915,284	1,465,778
Between 1-5 years	1,213,051	1,464,278
Less: Finance charges	(98,071)	(124,880)
	<u>2,030,264</u>	<u>2,805,176</u>

21. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	13,058,688	10,213,985
Financial assets measured at amortised cost	54,087,768	38,279,884
	<u>67,146,456</u>	<u>48,493,869</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(43,443,922)</u>	<u>(38,068,294)</u>
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Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

22. Deferred taxation

	2022 £	2021 £
At beginning of year	(587,112)	(542,544)
Charged to profit or loss	(110,409)	(44,568)
At end of year	<u>(697,521)</u>	<u>(587,112)</u>

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(802,381)	(671,730)
Other timing differences	104,860	84,618
	<u>(697,521)</u>	<u>(587,112)</u>

No provision has been made where potentially taxable gains on past property disposals have been rolled over into replacement assets. Such tax would become payable only if the Company's current property was sold without it being possible to claim further rollover relief. The total amount unprovided for is £267,807 (2021 - £267,807).

23. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
12,000 (2021 - 12,000) Ordinary shares of £1.00 each	<u>12,000</u>	<u>12,000</u>

24. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses less any dividends paid.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £562,646 (2021 - £505,976). An amount of £99,044 (2021 - £88,551) in contributions were payable to the fund at the date of the balance sheet.

A.J.N. STEELSTOCK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

26. Commitments under operating leases

At 30 April 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	540,935	632,570
Later than 1 year and not later than 5 years	624,493	1,155,436
Later than 5 years	-	1,499
	<u>1,165,428</u>	<u>1,789,505</u>

27. Related party transactions

During the year the Company operated a loan account with J M Boyden, a director of the Company. The amount due to her at the year end was £123,545 (2021 - £123,545).

During the year the Company operated a loan account with A Boyden, a director of the Company. The amount due to him at the year end was £1,099,599 (2021 - £3,454,609).

During the year the Company operated a loan account with N Boyden, a director of the Company. The amount due to him at the year end was £3,413,645 (2021 - £2,358,999).

During the year the Company paid dividends of £4,037,000 (2021 - £4,889,500) to directors of the Company.

Key management personnel

Key management personnel are considered to be the Directors of the Company, whose remuneration can be found in note 9.

28. Controlling party

The Company has no ultimate controlling party.