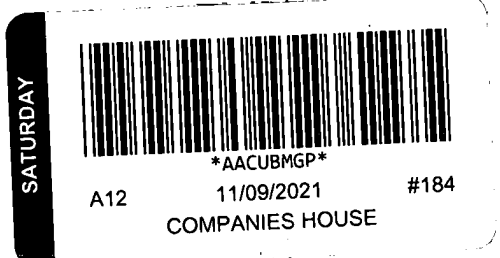


Registered number: 00853935

**STEEL PLATE AND SECTIONS LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**STEEL PLATE AND SECTIONS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	A E Jones (resigned 18 June 2020) A E Doyle (resigned 18 June 2020) M A Welden M D Walton (appointed 23 December 2020) W N Hay (appointed 22 February 2021)
<b>Registered number</b>	00853935
<b>Registered office</b>	4th Floor 7/10 Chandos Street Cavendish Square London W1G 9DQ
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants and Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

**STEEL PLATE AND SECTIONS LIMITED**

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**STEEL PLATE AND SECTIONS LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Introduction**

The directors present their review for the year ended 31 December 2020.

**Business review**

The principal activity of the company is processing of high yield structural products for the Energy and Construction sectors.

On 31 January 2020 the company was acquired by Barclay & Mathieson Limited and now forms part of the wider Breal Capital Limited group. Following this acquisition, the trade and inventory of the steel stockholding side of the business was sold at book value to other members of the group. This has resulted in significantly reduced operations and results in the company's main trade now being the servicing of the existing project business orders.

**Principal risks and uncertainties**

The company's operations have streamlined in the year and with it, the risk profile of the business has reduced. The company's operations expose it to financial risks that include credit risk, liquidity risk and supply risk. The directors actively manage these risks by maintaining strong relationships with both customers and suppliers and ensuring that sufficient cash headroom remains in the business to successfully manage working capital cycles.

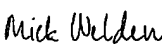
The international nature of our business trading means we are exposed to exchange rate fluctuations which are limited by a natural trading hedge, with any residual risk being managed using forward contracts and currency swaps where deemed appropriate.

**Financial key performance indicators**

The key financial performance indicators monitored by the board are turnover, gross profit and EBITDA. The relevant figures were:

	2020 £000	2019 £000
Turnover	3,814	40,713
Gross Profit	439	5,796
EBITDA	(560)	2,821

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
064215975ADA4CA...  
**M A Welden**  
Director

Date: 09 March 2021

## **STEEL PLATE AND SECTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 loss for the year, after taxation, amounted to £603,000 (2019: profit of £2,162,000).

During the year the directors declared a dividend of £8,653,000 (2019: £2,434,000).

#### **Directors**

The directors who served during the year are shown on the company information page.

#### **Discontinued operations**

On 31 January 2020 the directors took the decision to sell the steel stockholding side of the business for its book value. The directors' main focus from then was the servicing of the existing project business orders.

**STEEL PLATE AND SECTIONS LIMITED**

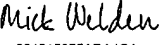
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
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**M A Welden**  
Director

Date: 09 March 2021

## **STEEL PLATE AND SECTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL PLATE AND SECTIONS LIMITED**

#### **Opinion**

We have audited the financial statements of Steel Plate and Sections Limited (the 'company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet, 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 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

## **STEEL PLATE AND SECTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL PLATE AND SECTIONS LIMITED (CONTINUED)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the strategic report and the directors' 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 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 2, 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.



## STEEL PLATE AND SECTIONS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL PLATE AND SECTIONS LIMITED (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

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

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

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations includes, but was not limited to, the following:

- obtain an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including enquiries of management, review of legal and professional nominal codes and board minutes in the year and post year end;
- obtain an understanding of the entity's risk assessment process, including the risk of fraud;
- we enquired with management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected or alleged fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, the review of cash books for the year and post year end and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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.

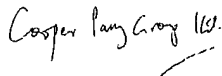
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**STEEL PLATE AND SECTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEEL PLATE AND SECTIONS LIMITED  
(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 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.



Neil Calder (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants and Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 9 March 2021

## STEEL PLATE AND SECTIONS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Continuing operations 2020 £000	Discontinued operations 2020 £000	Total 2020 £000	Continuing operations 2019 £000	Discontinued operations 2019 £000	Total 2019 £000
<b>Turnover</b>	1,3	2,774	1,040	3,814	28,597	12,116	40,713
<b>Cost of sales</b>		(2,300)	(1,075)	(3,375)	(24,917)	(10,000)	(34,917)
<b>Gross profit</b>		474	(35)	439	3,680	2,116	5,796
<b>Administrative expenses</b>		(60)	(1,000)	(1,060)	(1,102)	(1,936)	(3,038)
<b>Operating (loss)/profit</b>	4	414	(1,035)	(621)	2,578	180	2,758
<b>Interest payable and similar expenses</b>		-	(76)	(76)	-	(182)	(182)
<b>(Loss)/profit before tax</b>		414	(1,111)	(697)	2,578	(2)	2,576
<b>Tax on (loss)/profit</b>	7	94	-	94	(414)	-	(414)
<b>(Loss)/profit for the financial year</b>		508	(1,111)	(603)	2,164	(2)	2,162

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 11 to 22 form part of these financial statements.

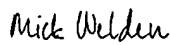
Discontinued operations relate to the disposal of the steel stockholding side of the business which took place on 31 January 2020.

**STEEL PLATE AND SECTIONS LIMITED**  
**REGISTERED NUMBER: 00853935**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible fixed assets	9	-	200
<b>Current assets</b>			
Stocks	10	-	3,318
Debtors	11	192	7,866
Bank and cash balances		256	3,346
		<u>448</u>	<u>14,530</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(366)</u>	<u>(5,392)</u>
<b>Net current assets</b>		82	9,138
<b>Net assets</b>		<u>82</u>	<u>9,338</u>
<b>Capital and reserves</b>			
Called up share capital	15	75	75
Capital redemption reserve	16	25	25
Profit and loss account	16	<u>(18)</u>	<u>9,238</u>
<b>Shareholder funds</b>		<u>82</u>	<u>9,338</u>

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

DocuSigned by:  
  
064215975ADA4CA...  
**M A Welden**  
Director

Date: 09 March 2021

The notes on pages 11 to 22 form part of these financial statements.

## STEEL PLATE AND SECTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	75	25	9,238	9,338
Loss for the year	-	-	(603)	(603)
Dividends paid (note 8)	-	-	(8,653)	(8,653)
<b>At 31 December 2020</b>	<b>75</b>	<b>25</b>	<b>(18)</b>	<b>82</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	75	25	1,463	8,047	9,610
Profit for the year	-	-	-	2,162	2,162
Dividends paid (note 8)	-	-	-	(2,434)	(2,434)
Transfer between reserves	-	-	(1,463)	1,463	-
<b>At 31 December 2019</b>	<b>75</b>	<b>25</b>	<b>-</b>	<b>9,238</b>	<b>9,338</b>

The notes on pages 11 to 22 form part of these financial statements.

## **STEEL PLATE AND SECTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. Accounting policies**

Steel Plate and Sections Limited (the company) is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2020(2019: 31 December 2019).

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise stated in these accounting policies, and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom 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 the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The following principal accounting policies have been consistently applied:

##### **1.2 Exemptions**

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a statement of cash flows and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the group accounts of Breal Capital Limited. The group accounts of Breal Capital Limited are available to the public and can be obtained as set out in note 20.

##### **1.3 Going concern**

During the year the company was acquired by Barclay and Mathieson Limited. Following this acquisition, the trade and inventory of the steel stockholding side of the business has been sold at book value to other members of the group. This has resulted in significantly reduced operations and results in the company's main trade now being the servicing of the existing project business orders. The remaining project business orders have continued to trade in line with the directors expectations since the year end and the directors have reviewed their future forecasts in respect of funding requirements and consider that sufficient headroom remains within the business to continue to meet it's obligations as they fall due.

At the time of signing these accounts, the directors have considered the effect of the Covid 19 pandemic on the going concern position, and consider that this does indicate that the company will have the ability to continue to trade for a period of at least 12 months from the date of signing these accounts.

The financial statements have therefore been prepared on a going concern basis.

## STEEL PLATE AND SECTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. Accounting policies (continued)

##### 1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 the turnover is recognised:

##### Sale of goods

Turnover 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 the turnover 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.

##### 1.5 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	15% straight line
---------------------	---	-------------------

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.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

## **STEEL PLATE AND SECTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. Accounting policies (continued)**

##### **1.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 the profit and loss account.

##### **1.7 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **1.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and loans to and from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives, including 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 the profit and loss account as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### **1.9 Pensions**

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 the profit and loss account 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.



**STEEL PLATE AND SECTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting policies (continued)**

**1.10 Current and deferred taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting period using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits in the short term. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**1.11 Dividends**

Equity dividends are recognised when they become legally payable.

**1.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires a 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 the profit and loss account 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.

## STEEL PLATE AND SECTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

##### **Recoverability of trade debtors**

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

##### **Provisions**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and the directors judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

#### 3. Turnover

The turnover of the company for the year as been derived from its principal activity.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	3,655	35,279
Rest of Europe	59	1,907
Rest of the world	100	3,527
	<u>3,814</u>	<u>40,713</u>

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 4. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2020 £000	2019 £000
Loss/(profit) on sale of tangible fixed assets	77	(118)
Depreciation of tangible fixed assets	8	63
Operating lease charges - land and buildings	109	105
Operating lease charges - plant and machinery	2	23
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12	26
Exchange differences	19	(78)
	<u>          </u>	<u>          </u>

## 5. Employees

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

	2020 £000	2019 £000
Wages and salaries	625	2,494
Social security costs	59	175
Pension costs	14	78
	<u>          </u>	<u>          </u>
	698	2,747
	<u>          </u>	<u>          </u>

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

	2020 No.	2019 No.
Sales and distribution	1	13
Administration	3	12
Production	-	11
	<u>          </u>	<u>          </u>
	4	36
	<u>          </u>	<u>          </u>

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 6. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	621	880
Company contributions to defined contribution pension schemes	6	10
	<u>627</u>	<u>890</u>

During the year retirement benefits were accruing to 1 director (2019: 1 director) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £486,000 (2019: £588,000).

## 7. Taxation

	2020 £000	2019 £000
<b>Corporation tax</b>		
Current tax on profits for the year	-	482
Adjustments in respect of previous periods	(110)	-
<b>Total current tax</b>	<u>(110)</u>	<u>482</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	16	(68)
<b>Total deferred tax</b>	<u>16</u>	<u>(68)</u>
<b>Taxation on (loss)/ profit on ordinary activities</b>	<u>(94)</u>	<u>414</u>

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 7. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	(697)	2,576
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(132)	489
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9	16
Utilisation of tax losses	108	-
Adjustments to tax charge in respect of prior periods	(110)	-
Other timing differences leading to an increase in taxation	31	-
Adjust deferred tax to average rate	-	27
Capital gains	-	(130)
Fixed asset timing differences	-	12
<b>Total tax charge for the year</b>	<b>(94)</b>	<b>414</b>

## Factors that may affect future tax charges

There are no factors which may affect future tax charges.

## 8. Dividends

	2020 £000	2019 £000
Dividends paid	8,653	2,434

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 9. Tangible fixed assets

	Plant and machinery £000
<b>Cost</b>	
At 1 January 2020	840
Disposals	(840)
At 31 December 2020	-
<b>Depreciation</b>	
At 1 January 2020	640
Charge for the year	8
Disposals	(648)
At 31 December 2020	-
<b>Net book value</b>	
At 31 December 2020	-
At 31 December 2019	200

## 10. Stocks

	2020 £000	2019 £000
Finished goods and goods for resale	-	3,318
	-	3,318

Stock recognised in cost of sales during the year as an expense was £2,493,000 (2019: £33,525,000).

During the year a credit of £58,000 (2019: £19,000 credit) was recognised in cost of sales, in part relating to the release of provisions in respect of previously impaired lines now disposed of.

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 11. Debtors

	2020 £000	2019 £000
Trade debtors	52	2,337
Amounts owed by group undertakings	-	5,189
Other debtors	140	50
Prepayments and accrued income	-	274
Deferred tax asset	-	16
	<u>192</u>	<u>7,866</u>

## 12. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Asset backed loans	-	345
Trade creditors	296	3,614
Amounts owed to group undertakings	20	-
Corporation tax	-	482
Other taxation and social security	-	441
Obligations under finance lease and hire purchase contracts	-	11
Accruals and deferred income	50	499
	<u>366</u>	<u>5,392</u>

Asset backed loans were fully repaid in the year.

## 13. Loans

Analysis of the maturity of loans is given below:

	2020 £000	2019 £000
<b>Amounts falling due within one year</b>		
Asset backed loans	-	345
	<u>-</u>	<u>345</u>

Asset backed loans were fully repaid in the year.

## STEEL PLATE AND SECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**14. Deferred taxation**

	2020 £000	2019 £000
At beginning of year	16	(51)
Charged to profit or loss	(16)	68
<b>At end of year</b>	<b>-</b>	<b>17</b>

The deferred tax asset is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	-	13
Short term timing differences	-	3
	<b>-</b>	<b>16</b>

**15. Share capital**

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
74,700 Ordinary shares of £1 each	75	75

**16. Reserves****Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

**Profit and loss account**

Represents all current and prior period retained profits and losses.

**17. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered personal pension fund. The pension charge represents contributions payable by the company to the fund and amounted to £14,000 (2019: £78,000). At the year end an amount of £Nil (2019: £Nil) was outstanding.



# STEEL PLATE AND SECTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 18. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £000	2019 £000
Not later than 1 year	-	110
	-	110

### 19. Related party transactions

The company has taken advantage of the FRS 102 section 33.1A exemption from disclosing transactions with wholly owned group companies.

During the year sales and recharges of £314,000 (2019: £362,000) were received and purchases of £885,000 (2019: Nil) were made from a company under common directorship.

At the year end amounts of £20,000 (2019: £Nil) were included within amounts owed by group undertakings.

### 20. Controlling party

On 31 January 2020, the entire share capital of the company was acquired by Barclay & Mathieson Limited, a company registered in the United Kingdom.

The company is a wholly owned subsidiary of Barclay & Mathieson Limited, its immediate parent company, which is incorporated in the United Kingdom. Barclay & Mathieson Limited is controlled by its ultimate parent company, Breal Capital Limited, which in turn is controlled by its directors.

The parent undertaking for the largest and smallest group for which consolidated accounts are prepared is Breal Capital Limited. Consolidated accounts in respect of the group are available from Companies House, Crown Way, Cardiff, CF14 3UZ.