

**D & J (STEELS) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

WEDNESDAY



\*AQ617W6G\*  
A18 27/07/2011 275  
COMPANIES HOUSE

---

**D & J (STEELS) LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Balance sheet</b>	6
<b>Notes to the financial statements</b>	7 - 13

---

## **D & J (STEELS) LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011**

---

The directors present their report and the financial statements for the year ended

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company in the year under review was that of stockholding, processing and distribution of engineering and forging rounds and billets.

#### **DIRECTORS**

The directors who served during the year were

E Fisher (deceased)  
P Harper  
C Hutton-Penman  
P F Davies  
S Huggins (appointed 29/10/2010)  
M Rowley (appointed 29/10/2010)

#### **PROVISION 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

---

**D & J (STEELS) LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2011**

---

**AUDITORS**

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 21-7-2011 and signed on its behalf



**C Hutton-Penman**  
Director

---

## **D & J (STEELS) LIMITED**

---

---

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF D & J (STEELS) LIMITED**

---

We have audited the financial statements of D & J (Steels) Limited for the year ended 31 March 2011, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

---

**D & J (STEELS) LIMITED**

---

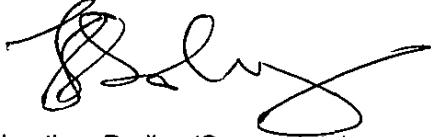
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF D & J (STEELS) LIMITED**

---

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Johnathan Dudley (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Chartered Accountants  
Statutory Auditor

Hatherton House  
Hatherton Street  
Walsall  
West Midlands  
WS1 1YB

21-7-2011

---

**D & J (STEELS) LIMITED**

---

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2011**

---

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>5,228,491</b>	<b>3,369,094</b>
Cost of sales		<b>(4,581,423)</b>	<b>(2,969,406)</b>
<b>GROSS PROFIT</b>		<b>647,068</b>	<b>399,688</b>
Distribution costs		<b>(37,706)</b>	<b>(27,207)</b>
Administrative expenses		<b>(475,633)</b>	<b>(351,468)</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>133,729</b>	<b>21,013</b>
Interest payable and similar charges		<b>(79,134)</b>	<b>(46,831)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>54,595</b>	<b>(25,818)</b>
Tax on profit/(loss) on ordinary activities	<b>4</b>	<b>(15,266)</b>	<b>4,282</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>12</b>	<b>39,329</b>	<b>(21,536)</b>

The notes on pages 7 to 13 form part of these financial statements

**D & J (STEELS) LIMITED**  
**REGISTERED NUMBER: 00993624**

**BALANCE SHEET**  
**AS AT 31 MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Intangible assets	5	204,735	-
Tangible assets	6	539,765	480,445
		<u>744,500</u>	<u>480,445</u>
<b>CURRENT ASSETS</b>			
Stocks		540,134	389,135
Debtors	7	3,382,372	2,073,636
Cash at bank and in hand		254,744	48,219
		<u>4,177,250</u>	<u>2,510,990</u>
<b>CREDITORS</b> amounts falling due within one year	8	<u>(3,533,932)</u>	<u>(1,621,818)</u>
<b>NET CURRENT ASSETS</b>		<u>643,318</u>	<u>889,172</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>1,387,818</u></u>	<u><u>1,369,617</u></u>
<b>CREDITORS</b> amounts falling due after more than one year			
	9	223,963	257,291
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	10	19,700	7,500
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	406,000	406,000
Revaluation reserve	12	245,287	245,287
Profit and loss account	12	492,868	453,539
		<u>1,144,155</u>	<u>1,104,826</u>
		<u><u>1,387,818</u></u>	<u><u>1,369,617</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21-7-2011



**C Hutton-Penman**  
Director

The notes on pages 7 to 13 form part of these financial statements

---

## **D & J (STEELS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

---

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### **1.2 TURNOVER**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

##### **1.3 INTANGIBLE FIXED ASSETS AND AMORTISATION**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

##### **1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & machinery	-	10% straight line

##### **1.5 REVALUATION OF TANGIBLE FIXED ASSETS**

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective April 2008) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 15 January 2008 and will not update that valuation.

##### **1.6 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

## D & J (STEELS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 2. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	18,612	-
Depreciation of tangible fixed assets		
- owned by the company	8,892	14,587
- held under finance leases	5,500	5,500
Auditors' remuneration	8,712	7,550
Auditors' remuneration - non-audit	1,950	-
Pension costs	10,975	9,379
Difference on foreign exchange	(5,726)	(2,459)
	<u>          </u>	<u>          </u>

#### 3. DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	158,471	107,740
	<u>          </u>	<u>          </u>
Amounts paid to third parties for directors' remuneration services	37,050	24,000
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 4 directors (2010 - 2) in respect of defined contribution pension schemes

#### 4. TAXATION

	2011 £	2010 £
<b>ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge/(credit) on profit/loss for the year	3,150	(3,160)
Adjustments in respect of prior periods	(84)	-
	<u>          </u>	<u>          </u>
<b>TOTAL CURRENT TAX</b>	3,066	(3,160)
	<u>          </u>	<u>          </u>
<b>DEFERRED TAX</b> (see note 10)		
Origination and reversal of timing differences	12,200	(1,122)
	<u>          </u>	<u>          </u>
<b>TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES</b>	15,266	(4,282)
	<u>          </u>	<u>          </u>

# **D & J (STEELS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

### **5. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>COST</b>	
Additions	<b>223,347</b>
At 31 March 2011	<b>223,347</b>
<b>AMORTISATION</b>	
Charge for the year	<b>18,612</b>
At 31 March 2011	<b>18,612</b>
<b>NET BOOK VALUE</b>	
At 31 March 2011	<b>204,735</b>

On 29 October 2010, the company purchased the trade and assets of Woodsetton Steels Limited. The trade and assets purchased are detailed below:

	<b>£</b>
Fixed assets	<b>73,712</b>
Stock	<b>176,816</b>
Debtors	<b>578,090</b>
Bank	<b>902</b>
Creditors	<b>(1,037,867)</b>
Net liabilities acquired	<b>(208,347)</b>

	<b>£</b>
Net liabilities acquired	<b>(208,347)</b>
Consideration paid	<b>(15,000)</b>
Goodwill	<b>(223,347)</b>

**D & J (STEELS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Total £
<b>COST OR VALUATION</b>			
At 1 April 2010	481,080	434,538	915,618
Additions	-	73,712	73,712
At 31 March 2011	<u>481,080</u>	<u>508,250</u>	<u>989,330</u>
<b>DEPRECIATION</b>			
At 1 April 2010	54,063	381,110	435,173
Charge for the year	5,259	9,133	14,392
At 31 March 2011	<u>59,322</u>	<u>390,243</u>	<u>449,565</u>
<b>NET BOOK VALUE</b>			
At 31 March 2011	<u>421,758</u>	<u>118,007</u>	<u>539,765</u>
At 31 March 2010	<u>427,017</u>	<u>53,428</u>	<u>480,445</u>

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

	2011 £	2010 £
Plant and machinery	<u>41,250</u>	<u>46,750</u>

Included in land and buildings is land valued at £213,086 (2010 - £213,086) which is not depreciated

Cost or valuation at 31 March 2011 is as follows

	Land and buildings £
<b>AT COST</b>	6,080
<b>AT VALUATION:</b>	
15th January 2008	<u>475,000</u>
	<u>481,080</u>

## D & J (STEELS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 6. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	229,713	229,713
Accumulated depreciation	(96,017)	(90,778)
Net book value	<u>133,696</u>	<u>138,935</u>

#### 7. DEBTORS

	2011 £	2010 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Amounts owed by group undertakings	742,473	742,473
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	1,770,552	809,181
Amounts owed by group undertakings	553,420	148,273
Amounts owed by undertakings in which the company has a participating interest	290,240	349,775
Other debtors	25,687	23,934
	<u>3,382,372</u>	<u>2,073,636</u>

#### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts	1,146,856	555,273
Net obligations under finance leases and hire purchase contracts	27,167	10,000
Trade creditors	1,997,951	881,891
Amounts owed to group undertakings	214,890	19,587
Amounts owed to group undertakings in which the company has a participating interest	2,102	-
Corporation tax	3,150	-
Social security and other taxes	91,489	93,429
Other creditors	50,327	61,638
	<u>3,533,932</u>	<u>1,621,818</u>

The bank loans and overdrafts are secured by way of a fixed and floating charge of the assets of the company

---

**D & J (STEELS) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

---

**9. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>207,296</b>	<b>230,624</b>
Net obligations under finance leases and hire purchase contracts	<b>16,667</b>	<b>26,667</b>
	<b>223,963</b>	<b>257,291</b>

Creditors include amounts not wholly repayable within 5 years as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Repayable by instalments	<b>105,764</b>	<b>117,665</b>

**10 DEFERRED TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>7,500</b>	<b>8,622</b>
Charge for/(released during) year	<b>12,200</b>	<b>(1,122)</b>
At end of year	<b>19,700</b>	<b>7,500</b>

The provision for deferred taxation is made up as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>19,800</b>	<b>7,600</b>
Short term timing differences	<b>(100)</b>	<b>(100)</b>
	<b>19,700</b>	<b>7,500</b>

**11. SHARE CAPITAL**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
406,000 Ordinary Shares shares of £1 each	<b>406,000</b>	<b>406,000</b>

---

**D & J (STEELS) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

---

**12. RESERVES**

	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 1 April 2010	<b>245,287</b>	<b>453,539</b>
Profit for the year		<b>39,329</b>
At 31 March 2011	<b>245,287</b>	<b>492,868</b>

**13. RELATED PARTY TRANSACTIONS**

Under FRS 8 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with certain subsidiaries that are part of the group on the grounds that these companies within the group are wholly owned by a parent undertaking and the consolidated financial statements of the company are publicly available

The company has entered into transactions with Brockhouse Group Limited which is part of the group. Brockhouse Group Limited is not wholly owned by the parent company. During the year sales to Brockhouse Group Limited amounted to £1,004,508 (2010 - £874,659) and purchases from Brockhouse Group Limited amounted to £1,752 (2010 - Nil). The balance due from Brockhouse Group Limited at 31 March 2011 was £290,240 (2010 - £349,775). The balance due to Brockhouse Group Limited at 31 March 2011 was £2,102 (2010 - £Nil).

**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is wholly owned subsidiary of D & J (Steels) Holdings Limited, a company incorporated in England. The directors consider Offshore Sourcing Limited as the company's ultimate parent company and controlling party.