

Registration number: 01289020

Charles Day (Steels) Limited

Unaudited Financial Statements

for the Year Ended 30 April 2017



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Charles Day (Steels) Limited

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Charles Day (Steels) Limited

Company Information

Directors

P Braithwaite

J C W Day

P Law

Company secretary P Braithwaite

Registered office

Downgate Drive

Sheffield

S4 8BT

Accountants

Hawsons Chartered Accountants

Pegasus House

463a Glossop Road

Sheffield

South Yorkshire

S10 2QD

Charles Day (Steels) Limited
(Registration number: 01289020)
Balance Sheet as at 30 April 2017

		(As restated)	
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	2,480,783	2,346,398
Investment property	5	10,445	10,043
Investments	6	43,075	80
		<u>2,534,303</u>	<u>2,356,521</u>
Current assets			
Stocks		587,341	553,534
Debtors	7	1,911,724	1,535,073
Cash at bank and in hand		60,131	37
		<u>2,559,196</u>	<u>2,088,644</u>
Creditors: Amounts falling due within one year	8	<u>(3,558,204)</u>	<u>(2,841,411)</u>
Net current liabilities		<u>(999,008)</u>	<u>(752,767)</u>
Total assets less current liabilities		1,535,295	1,603,754
Creditors: Amounts falling due after more than one year	8	(832,401)	(964,454)
Provisions for liabilities		<u>(190,000)</u>	<u>(150,320)</u>
Net assets		<u>512,894</u>	<u>488,980</u>
Capital and reserves			
Called up share capital		21,000	21,000
Revaluation reserve		9,403	9,001
Profit and loss account		<u>482,491</u>	<u>458,979</u>
Total equity		<u>512,894</u>	<u>488,980</u>

For the financial year ending 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors' Report and the Profit and Loss Account have been taken.

Charles Day (Steels) Limited

(Registration number: 01289020)

Balance Sheet as at 30 April 2017 (continued)

These financial statements, which 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 provisions of FRS 102 Section 1A Small Entities, were approved and authorised for issue by the Board on ~~29/1/2018~~..... and signed on its behalf by:

.....
J C W Day
Director

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

1 Accounting policies

Statutory information

Charles Day (Steels) Limited is a private company, limited by shares, domiciled in England and Wales, company number 01289020. The registered office is at Downgate Drive, Sheffield, S4 8BT.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Government grants

Grants that relate to the financing of projects to expand the operations of the business are amortised over the expected useful economic lives of the assets or projects concerned. Grants relating to the revenue expenditure are credited to income where receivable.

Tax

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

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

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

1 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, less their estimated residual values, over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Alterations to leasehold property	10% straight line
Plant and machinery	10% - 20% straight line
Motor vehicles	20% reducing balance
Other fixed assets	10% - 20% straight line

Investment property

The company's property is held for long-term investment.

Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value at each reporting date, with changes in fair value recognised in the profit and loss account for the period.

Investments

Investments are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

1 Accounting policies (continued)

Leases

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Employer-Financed Retirement Benefit Scheme (EFRBS)

The company has established trusts for the benefit of employees and persons connected with them. Monies held in these trusts are held by independent trustees and managed at their discretion. The trustees are empowered to provide both retirement and other employee benefits.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and are payable after completion of the employment, such monies are charged to the profit and loss account in the period during which services are rendered by employees.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

2 Staff numbers

The average number of employees during the year was 48 (2016 - 47).

3 Taxation

Tax charged/(credited) in the income statement

	2017	2016
	£	£
Current taxation		
Corporation tax	(34,000)	-
Corporation tax adjustments to prior periods	<u>(8,749)</u>	<u>(53,395)</u>
	(42,749)	(53,395)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>39,680</u>	<u>(16,559)</u>
Tax credit in the income statement	<u><u>(3,069)</u></u>	<u><u>(69,954)</u></u>

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

4 Tangible assets

	Alterations to leasehold property £	Plant and equipment £	Motor vehicles £	Other assets £	Total £
Cost or valuation					
At 1 May 2016	121,747	5,766,918	183,746	514,249	6,586,660
Additions	-	438,717	-	52,289	491,006
Disposals	-	(769,000)	(19,897)	-	(788,897)
At 30 April 2017	<u>121,747</u>	<u>5,436,635</u>	<u>163,849</u>	<u>566,538</u>	<u>6,288,769</u>
Depreciation					
At 1 May 2016	89,496	3,627,844	155,171	367,751	4,240,262
Charge for the year	7,703	298,988	8,409	39,755	354,855
Eliminated on disposal	-	(769,000)	(18,131)	-	(787,131)
At 30 April 2017	<u>97,199</u>	<u>3,157,832</u>	<u>145,449</u>	<u>407,506</u>	<u>3,807,986</u>
Carrying amount					
At 30 April 2017	<u>24,548</u>	<u>2,278,803</u>	<u>18,400</u>	<u>159,032</u>	<u>2,480,783</u>
At 30 April 2016	<u>32,251</u>	<u>2,139,074</u>	<u>28,575</u>	<u>146,498</u>	<u>2,346,398</u>

The net book value of assets held under finance lease and hire purchase contracts included above is £2,002,951 (2016 - £1,813,407).

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

5 Investment properties

Fair value	£
At 1 May 2016	10,043
Revaluation during the year	<u>402</u>
At 30 April 2017	<u>10,445</u>

The freehold interest in the investment property is held subject to a 99 year lease granted in 1996 and yielding a rent of £50 per annum. It was valued by the directors at the amount shown above.

6 Investments

Unlisted investments

Cost or valuation	£
At 1 May 2016	80
Additions	<u>42,995</u>
At 30 April 2017	<u>43,075</u>

7 Debtors

	(As restated)	
	2017 £	2016 £
Trade debtors	1,669,667	1,247,171
Directors' current accounts	76,669	139,193
Prepayments and accrued income	137,418	119,307
Other debtors	4,970	5,402
Corporation tax recoverable	<u>23,000</u>	<u>24,000</u>
	<u>1,911,724</u>	<u>1,535,073</u>

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

8 Creditors

	2017 £	2016 £
Due within one year		
Trade creditors	1,416,203	1,234,230
Accruals and deferred income	145,372	111,040
Other creditors	1,433,039	1,013,575
Obligations under finance leases and hire purchase contracts	389,727	372,764
Bank borrowings	3,108	20,132
Other tax and social security	170,755	89,670
	<u>3,558,204</u>	<u>2,841,411</u>
Due after one year		
Bank borrowings	-	3,344
Obligations under finance lease and hire purchase contracts	552,667	643,153
Deferred income	279,734	317,957
	<u>832,401</u>	<u>964,454</u>

Within other creditors are amounts due to invoice discounters of £1,303,621 (2016 - £1,008,825) secured on the trade debts of the business.

The bank loan is secured by a charge over the company's assets.

The obligations under finance lease and hire purchase contracts are secured on the assets concerned.

9 Investment property revaluation reserve

	Revaluation reserve £
As at 1 May 2016	9,001
Transfer of gain on investment property from profit and loss account	<u>402</u>
As at 30 April 2017	<u>9,403</u>

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2017 (continued)

10 Prior period adjustment

The financial statements include adjustments made to comparative figures to correct accounting errors in the prior period's financial statements resulting from the understatement at the previous balance sheet date of amounts due from directors and the overstatement of salary costs.

Summary of prior year accounting impact:

	£
Increase in directors' current account debtor and decrease in administrative expenses	77,000
Increase in operating profit, profit before tax, profit for the financial year and equity	<u>77,000</u>

The adjustments have no impact on periods prior to the year ended 30 April 2016.

11 Contingent liabilities

The total amount of contingent liabilities not included in the balance sheet is £300,000 (2016 - £Nil) in respect of unresolved tax issues relating to prior years.

The company has given a cross guarantee to the bank in respect of the banking facilities for The Laser Cutting Company Limited, a company controlled by J C W Day.

A debenture over all the assets of the company exists in favour of HSBC Bank plc as part of the company's borrowing facilities.

12 Related party transactions

Transactions with directors

	At 1 May 2016 £	Repaid £	At 30 April 2017 £
2017			
J C W Day			
Amounts due from director	<u>139,193</u>	<u>(62,524)</u>	<u>76,669</u>
	At 1 May 2015 £	Cash drawn and private expenses £	At 30 April 2016 £
2016			
J C W Day			
Amounts due from director	<u>89,075</u>	<u>493,950</u>	<u>(443,832)</u> <u>139,193</u>