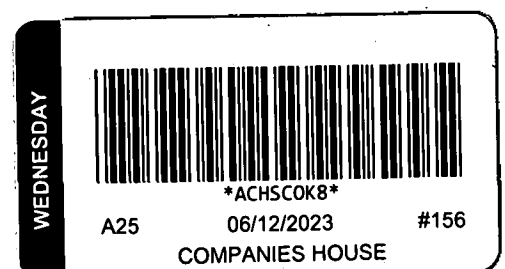


Registration number: 01289020

# Charles Day (Steels) Limited

Annual Report and Financial Statements

for the Year Ended 30 April 2023



# **Charles Day (Steels) Limited**

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# **Charles Day (Steels) Limited**

## **Company Information**

**Directors** P Braithwaite  
J C W Day  
P Law  
C R Day  
J C Day

**Company secretary** P Braithwaite

**Registered office** Downgate Drive  
Sheffield  
S4 8BT

**Auditors** Hawsons Chartered Accountants  
Pegasus House  
463a Glossop Road  
Sheffield  
South Yorkshire  
S10 2QD

## Charles Day (Steels) Limited

### Strategic Report for the Year Ended 30 April 2023

The directors present their strategic report for the year ended 30 April 2023.

#### Principal activity

The principal activity of the company is the provision of specialist profile cutting services.

#### Fair review of the business

The results for the company are detailed in the financial statements.

The company continued to trade well during the year with satisfactory growth achieved. Due to this continued growth, we became a medium-sized enterprise for the second consecutive year resulting in the need for a full statutory audit. As is common with many first year audits, our auditors have had to qualify their audit report on the grounds of opening stock having not been physically verified. Whilst we accept the auditor's position, we would like to reassure users of the comprehensive stock records that are maintained by the company to mitigate any issues arising.

The company refreshed the board of directors in 2020 and the new directors have invigorated all aspects of the business and continue to drive the business forwards. Investment in new cutting technologies, IT systems and personnel has continued throughout the year, broadening our offering to customers and looking to add further growth.

Turnover increased by 8.3% and gross profit margin was 32%. For the purposes of this review, further analysis using other key performance indicators is not necessary for an understanding of the company's development, position or performance.

#### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The principal business risks and uncertainties facing the company are considered to be the uncertainties created by the current conflicts in Ukraine and the Middle East, the state of the global and domestic economy and a lack of clear government industrial strategy. We continue to closely monitor the effects of these.


The company helps to mitigate trading risks by continuing to insure its complete debtor book.

The company continues to recognise the cost of staff turnover and has developed strategies to retain and attract the best employees.

#### Future developments

The company continues to hold a well-established position in the market and is seeking to increase the depth of value added services through organic growth and further enhancement in its processes. Exogenous shocks have been absorbed and offer the possibility of further strategic reshoring of manufacturing.

Approved by the Board on 29.11.23 and signed on its behalf by:

  
.....  
J C W Day  
Director

## Charles Day (Steels) Limited

### Directors' Report for the Year Ended 30 April 2023

The directors present their report and the audited financial statements for the year ended 30 April 2023.

#### Directors of the company

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

P Braithwaite

J C W Day

P Law

C R Day

J C Day

#### Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### Dividends

Interim dividends of £926,105 were paid in respect of the financial year.

#### Disclosure of information to the auditors

Each director of the company who held office at the date of the approval of this Annual Report, as set out above, confirms that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Reappointment of auditors

The auditors Hawsons Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 29.11.23 and signed on its behalf by:

J C W Day  
Director



## **Charles Day (Steels) Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

## **Charles Day (Steels) Limited**

### **Independent Auditor's Report to the Members of Charles Day (Steels) Limited**

#### **Qualified opinion on financial statements**

We have audited the financial statements of Charles Day (Steels) Limited (the 'company') for the year ended 30 April 2023, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2023 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 qualified opinion on financial statements**

As the company took exemption from audit under section 477 of the Companies Act 2006 relating to small companies for the year ended 30 April 2022, we did not observe the counting of the physical inventories at 30 April 2022 and have been unable to satisfy ourselves by alternative means concerning inventory quantities held at that date. As opening inventory levels enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the Statement of Income and Retained Earnings.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 auditor's 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.

## **Charles Day (Steels) Limited**

### **Independent Auditor's Report to the Members of Charles Day (Steels) Limited (continued)**

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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

In relation solely to the limitation on our work relating to opening stock:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities 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.

#### **Auditor 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.



## Charles Day (Steels) Limited

### Independent Auditor's Report to the Members of Charles Day (Steels) Limited (continued)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the year, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:


- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for](http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for). This description forms part of our auditor's report.

#### 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.



Scott Sanderson (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House  
463a Glossop Road  
Sheffield  
South Yorkshire  
S10 2QD

Date: 30/11/2023

## Charles Day (Steels) Limited

### Statement of Income and Retained Earnings for the Year Ended 30 April 2023

	Note	2023 £	2022 £
Turnover	2	11,646,607	10,749,667
Cost of sales		<u>(7,961,810)</u>	<u>(7,238,715)</u>
Gross profit		3,684,797	3,510,952
Distribution costs		(286,018)	(280,832)
Administrative expenses		<u>(2,095,756)</u>	<u>(1,877,790)</u>
Operating profit		1,303,023	1,352,330
Interest payable and similar charges	4	<u>(177,024)</u>	<u>(141,265)</u>
Profit before tax	3	1,125,999	1,211,065
Taxation	8	<u>(141,065)</u>	<u>(227,734)</u>
Profit for the financial year		984,934	983,331
Retained earnings brought forward		761,066	418,365
Dividends paid		<u>(926,105)</u>	<u>(640,630)</u>
Retained earnings carried forward		<u><u>819,895</u></u>	<u><u>761,066</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

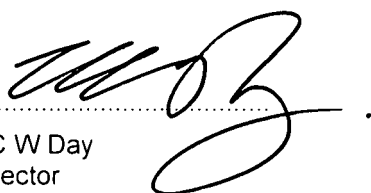
**Charles Day (Steels) Limited**  
**(Registration number: 01289020)**

**Balance Sheet as at 30 April 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	9	3,787,230	3,124,813
Investment property	10	12,742	12,742
Other investments	11	80	43,075
		<u>3,800,052</u>	<u>3,180,630</u>
<b>Current assets</b>			
Stocks	12	871,987	989,475
Debtors	13	3,046,026	3,472,840
Cash at bank and in hand		300,007	282,438
		<u>4,218,020</u>	<u>4,744,753</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(4,710,838)</u>	<u>(5,394,478)</u>
<b>Net current liabilities</b>		<u>(492,818)</u>	<u>(649,725)</u>
<b>Total assets less current liabilities</b>		3,307,234	2,530,905
<b>Creditors: Amounts falling due after more than one year</b>	14	(1,754,639)	(1,217,139)
<b>Provisions for liabilities</b>	17	<u>(700,000)</u>	<u>(520,000)</u>
<b>Net assets</b>		<u>852,595</u>	<u>793,766</u>
<b>Capital and reserves</b>			
Called up share capital	18	21,000	21,000
Revaluation reserve		11,700	11,700
Profit and loss account		819,895	761,066
Shareholders' funds		<u>852,595</u>	<u>793,766</u>

Approved and authorised by the Board on 29.11.23 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 2023

### 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There have been no material departures from that standard.

#### 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. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company. The financial statements are those of an individual entity.

#### Summary of disclosure exemptions

The company is a qualifying entity for the purposes of FRS 102 and has therefore taken advantage of the disclosure exemptions available in FRS 102 in relation to the preparation of a cash flow statement, disclosure of intra group transactions and remuneration of key management personnel.

#### Going concern

After due consideration of all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### 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.

Turnover is recognised when the significant risks and rewards of ownership are considered to have been transferred to the buyer. For the sales of goods, this is when goods are delivered to the customer and control of the goods passes.

#### 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.

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 1 Accounting policies (continued)

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.

#### 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 2023 (continued)**

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

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **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.

##### **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 2023 (continued)

#### 1 Accounting policies (continued)

##### Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible assets.

#### 2 Turnover

All turnover arose within the United Kingdom and is attributable to the principal activity of the company.

#### 3 Profit before tax

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	608,709	560,875
Loss on disposal of property, plant and equipment	151,500	65,688
Loss on disposal of investments	32,995	-
	<u>693,204</u>	<u>626,563</u>

#### 4 Interest payable and similar expenses

	2023 £	2022 £
Interest on obligations under finance leases and hire purchase contracts	87,462	101,350
Bank interest	89,562	32,701
Other interest	-	7,214
	<u>177,024</u>	<u>141,265</u>

#### 5 Staff costs

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

	2023 £	2022 £
Wages and salaries	1,857,520	1,717,141
Social security costs	180,428	149,178
Pension costs, defined contribution scheme	39,629	34,796
	<u>2,077,577</u>	<u>1,901,115</u>

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 5 Staff costs (continued)

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

	2023 No.	2022 No.
Production	30	30
Administration and support	24	21
	<u>54</u>	<u>51</u>

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	133,703	128,186
Contributions paid to money purchase schemes	2,614	2,442
	<u>136,317</u>	<u>130,628</u>

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

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

#### 7 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>18,000</u>	<u>-</u>

#### 8 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	(34,000)	(50,000)
UK corporation tax adjustment to prior periods	(4,935)	(12,266)
	<u>(38,935)</u>	<u>(62,266)</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>180,000</u>	<u>290,000</u>
Tax expense in the income statement	<u>141,065</u>	<u>227,734</u>



## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 8 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	1,125,999	1,211,065
Corporation tax at standard rate	213,940	230,102
Expense not deductible in determining taxable profit	4,269	3,941
Deferred tax calculated at 25% rather than 19%	43,000	127,000
Decrease from effect of tax incentives	(60,913)	(74,663)
Other tax effects	(5,075)	(12,247)
Decrease from effect of R&D tax credit	(54,156)	(46,399)
Total tax charge	141,065	227,734

#### Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2023</b>		
Accelerated capital allowances	-	765,000
Tax losses carried forward	65,000	-
	65,000	765,000

	Asset £	Liability £
<b>2022</b>		
Accelerated capital allowances	-	585,000
Tax losses carried forward	65,000	-
	65,000	585,000

Charles Day (Steels) Limited

Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

9 Tangible assets

	Alterations to leasehold property £	Plant and equipment £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 May 2022	214,358	7,547,175	455,297	518,159	149,343	8,884,332
Additions	90,531	1,290,985	33,803	42,301	79,495	1,537,115
Disposals	-	(1,174,363)	-	-	(56,900)	(1,231,263)
At 30 April 2023	304,889	7,663,797	489,100	560,460	171,938	9,190,184
<b>Depreciation</b>						
At 1 May 2022	126,650	4,800,837	366,704	373,005	92,323	5,759,519
Charge for the year	19,707	510,452	14,886	59,558	4,106	608,709
Eliminated on disposal	-	(948,420)	-	-	(16,854)	(965,274)
At 30 April 2023	146,357	4,362,869	381,590	432,563	79,575	5,402,954
<b>Carrying amount</b>						
At 30 April 2023	158,532	3,300,928	107,510	127,897	92,363	3,787,230
At 30 April 2022	87,708	2,746,338	88,593	145,154	57,020	3,124,813

The net book value of assets held under finance lease and hire purchase contracts included above is £2,459,759 (2022 - £2,041,273).

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 10 Investment properties

	2023 £
Fair value at 1 May 2022 and 30 April 2023	<u>12,742</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.

#### 11 Investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 May 2022	43,075
Disposals	<u>(42,995)</u>
At 30 April 2023	<u>80</u>
<b>Carrying amount</b>	
At 30 April 2023	<u>80</u>
At 30 April 2022	<u>43,075</u>

#### 12 Stocks

	2023 £	2022 £
Raw materials and consumables	710,277	828,157
Work in progress	132,303	115,123
Finished goods and goods for resale	<u>29,407</u>	<u>46,195</u>
	<u>871,987</u>	<u>989,475</u>

#### 13 Debtors

	2023 £	2022 £
Trade debtors	2,633,355	3,177,146
Amounts owed by parent undertaking	35,175	-
Other debtors	126,415	129,358
Prepayments and accrued income	162,146	116,336
Corporation tax recoverable	<u>88,935</u>	<u>50,000</u>
	<u>3,046,026</u>	<u>3,472,840</u>

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 14 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Loans and borrowings	15	466,298	596,708
Trade creditors		2,328,506	2,399,291
Directors' current accounts	20	81,413	34,985
Social security and other taxes		168,538	232,707
Other creditors		1,467,574	1,682,570
Accruals and deferred income		198,509	448,217
		<u>4,710,838</u>	<u>5,394,478</u>
<b>Due after one year</b>			
Loans and borrowings	15	1,715,746	1,155,618
Deferred income		38,893	61,521
		<u>1,754,639</u>	<u>1,217,139</u>

Within other creditors are amounts due to invoice discounters of £1,261,150 (2022 - £1,463,030) secured on the trade debts of the company.

#### 15 Loans and borrowings

	2023 £	2022 £
<b>Current loans and borrowings</b>		
Bank borrowings	-	125,000
Hire purchase contracts	466,298	471,708
	<u>466,298</u>	<u>596,708</u>

	2023 £	2022 £
<b>Non-current loans and borrowings</b>		
Hire purchase contracts	1,715,746	1,155,618

Included in the loans and borrowings are the following amounts due after more than five years:

	2023 £	2022 £
After more than five years by instalments	82,677	223,107

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

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 16 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	543,122	545,983
Later than one year and not later than five years	1,966,453	1,040,398
Later than five years	83,912	250,088
	<u>2,593,487</u>	<u>1,836,469</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	19,186	6,419
Later than one year and not later than five years	17,562	8,024
	<u>36,748</u>	<u>14,443</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £25,994 (2022 - £6,419).

#### 17 Provisions for liabilities

	Deferred tax £
At 1 May 2022	520,000
Increase in existing provisions	<u>180,000</u>
At 30 April 2023	<u>700,000</u>

#### 18 Share capital

##### Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary shares of £1 each	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

## Charles Day (Steels) Limited

### Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £39,629 (2022 - £34,796).

Contributions totalling £5,870 (2022 - £8,723) were payable to the scheme at the end of the year and are included in creditors.

#### 20 Related party transactions

##### Transactions with parent undertaking

During the year, the company settled liabilities on behalf of the parent undertaking amounting to £35,175 (2022 - £nil). At the balance sheet date, the amount due from the parent undertaking was £35,175 (2022 - £nil).

##### Transactions with key management personnel

The company leases its premises from certain members of key management personnel.

The company operates a loan account with certain members of key management personnel.

##### Expenditure with key management personnel

	£
<b>2023</b>	
Leases	<u>227,805</u>
<b>2022</b>	£
Leases	<u>207,667</u>

##### Loans from key management personnel

	£
<b>2023</b>	
At start of year	34,985
Advanced	287,205
Repaid	<u>(240,777)</u>
At end of year	<u>81,413</u>
<b>2022</b>	£
At start of year	29,131
Advanced	75,200
Repaid	<u>(69,346)</u>
At end of year	<u>34,985</u>

## **Charles Day (Steels) Limited**

### **Notes to the Financial Statements for the Year Ended 30 April 2023 (continued)**

#### **21 Control**

The company's immediate and ultimate parent undertaking is Charles Day (Steels) Holdings Limited, a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that of Charles Day (Steels) Holdings Limited. Copies of the financial statements of Charles Day (Steels) Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The company has no ultimate controlling party.