

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 July 2023  
for  
Steelco (UK) Limited**

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for the Year Ended 31 July 2023**

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**Steelco (UK) Limited**  
**Company Information**  
**for the Year Ended 31 July 2023**

**DIRECTORS:**

A Fowle  
N Fowle  
M E Fowle  
E N Fowle  
S E I Fowle

**SECRETARY:**

A Fowle

**REGISTERED OFFICE:**

Tremlon House  
Menzies Road  
Hastings  
East Sussex  
TN38 9BQ

**REGISTERED NUMBER:**

02319502 (England and Wales)

**AUDITORS:**

Deeks Evans Audit Services Limited  
Statutory Auditor  
First Floor, West Barn  
North Frith Farm, Ashes Lane, Hadlow  
Tonbridge  
Kent  
TN11 9QU

**Strategic Report  
for the Year Ended 31 July 2023**

The directors present their strategic report for the year ended 31 July 2023.

**REVIEW OF BUSINESS**

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

The company principle trade is as steel processors, stockists and traders based in Dudley and founded in 1988.

Of course this year has not been as good as the last two exceptional years , however in a very difficult market with steel prices falling by around £400 per tonne and with further up and down swings in price as we entered 2023 to make just under £1.5 million net profit is a commendable achievement.

The new year has started well and inspite of the uncertainties caused by the current well known conflicts adding to the volatility of our market we are confident that this new financial year will show continued positive results.

As I have said before our company has an excellent team, looking after its many customers with a commitment to first class service.

Our principal risks and uncertainties relate to the volatility of steel prices and fluctuating demand , business is risk and we constantly monitor the steel market , movements in the global economy , subscribing to a number of market guides to gauge which way future demand and steel prices are heading.

**Key performance indicators**

|   | 2023       | 2022       |
|---|------------|------------|
|   | £          | £          |
| Turnover                                | 29,179,170 | 36,718,578 |
| Net profit before interest and taxation | 1,487,800  | 8,148,433  |

Steelco have excellent staff and are well led, our company ends the year with £12.3 million net worth, no borrowings and we are confident having in the last 2 years put the company in a much stronger financial position that we will continue to grow in the future providing a committed service to our many customers.

**ON BEHALF OF THE BOARD:**

A Fowle - Director

24 January 2024

**Report of the Directors  
for the Year Ended 31 July 2023**

The directors present their report with the financial statements of the company for the year ended 31 July 2023.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a steel service and processing centre and trader in steel.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 July 2023 was £530,000 (2022 - £2,180,000) in respect of A ordinary shares and nil (2022 - nil) in respect of B ordinary shares.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

A Fowle  
N Fowle

Other changes in directors holding office are as follows:

M E Fowle - appointed 27 February 2023  
E N Fowle - appointed 27 February 2023  
S E I Fowle - appointed 27 February 2023

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Steelco (UK) Limited (Registered number: 02319502)**

**Report of the Directors  
for the Year Ended 31 July 2023**

**AUDITORS**

The auditors, Deeks Evans Audit Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A Fowle - Director

24 January 2024

## **Report of the Independent Auditors to the Members of Steelco (UK) Limited**

### **Opinion**

We have audited the financial statements of Steelco (UK) Limited (the 'company') for the year ended 31 July 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 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 opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

### **Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Report of the Independent Auditors to the Members of Steelco (UK) Limited**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our understanding of the company and its industry, through verbal and written communications with the directors and other management and through inspection of the company's regulatory and legal correspondence.

We discussed with directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to the audit team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential affect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including the company's constitution, relevant reporting standards, company law, tax legislation and distributable profits legislation. We have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material affect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We have identified the following areas as those most likely to have such an affect: employment legislation, health and safety legislation, trade legislation, data protection legislation and anti-bribery and corruption legislation.

International Standards on UK Auditing UK limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.



## **Report of the Independent Auditors to the Members of Steelco (UK) Limited**

In relation to fraud we have performed the following specific procedures in addition to those already noted:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account and journal entries posted by senior management;
- performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud; and
- ensuring that testing undertaken on transactions and the balance sheet includes a number of items selected on a random basis.

The procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation or the override of controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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 Report of the Auditors.

### **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 a Report of the Auditors 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.

Richard Young (Senior Statutory Auditor)  
for and on behalf of Deeks Evans Audit Services Limited  
Statutory Auditor  
First Floor, West Barn  
North Frith Farm, Ashes Lane, Hadlow  
Tonbridge  
Kent  
TN11 9QU

24 January 2024

**Steelco (UK) Limited (Registered number: 02319502)**

**Income Statement  
for the Year Ended 31 July 2023**

|                                       | Notes | 2023<br>£           | 2022<br>£           |
|---------------------------------------|-------|---------------------|---------------------|
| <b>TURNOVER</b>                       |       | 29,179,170          | 36,718,578          |
| Cost of sales                         |       | <u>(25,337,687)</u> | <u>(26,082,835)</u> |
| <b>GROSS PROFIT</b>                   |       | 3,841,483           | 10,635,743          |
| Distribution costs                    |       | (764,863)           | (756,039)           |
| Administrative expenses               |       | <u>(1,585,103)</u>  | <u>(1,725,713)</u>  |
| <b>OPERATING PROFIT</b>               | 4     | 1,491,517           | 8,153,991           |
| Interest receivable & similar income  |       | <u>-</u>            | <u>25</u>           |
|                                       |       | 1,491,517           | 8,154,016           |
| Interest payable and similar expenses | 5     | <u>(3,717)</u>      | <u>(5,583)</u>      |
| <b>PROFIT BEFORE TAXATION</b>         |       | 1,487,800           | 8,148,433           |
| Tax on profit                         | 6     | <u>(379,141)</u>    | <u>(1,547,519)</u>  |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>  |       | <u>1,108,659</u>    | <u>6,600,914</u>    |

The notes form part of these financial statements

**Steelco (UK) Limited (Registered number: 02319502)**

**Other Comprehensive Income  
for the Year Ended 31 July 2023**

|  | Notes | 2023<br>£        | 2022<br>£        |
|--|-------|------------------|------------------|
| <b>PROFIT FOR THE YEAR</b>                     |       | 1,108,659        | 6,600,914        |
| <b>OTHER COMPREHENSIVE INCOME</b>              |       | -                | -                |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> |       | <u>1,108,659</u> | <u>6,600,914</u> |

The notes form part of these financial statements

**Steelco (UK) Limited (Registered number: 02319502)**

**Balance Sheet  
31 July 2023**

|  | Notes | 2023<br>£         | £                        | 2022<br>£         | £                        |
|--|-------|-------------------|--------------------------|-------------------|--------------------------|
| <b>FIXED ASSETS</b>                          |       |                   |                          |                   |                          |
| Tangible assets                              | 8     |                   | 3,660,502                |                   | 3,557,826                |
| <b>CURRENT ASSETS</b>                        |       |                   |                          |                   |                          |
| Stocks                                       | 9     | 1,956,090         |                          | 2,744,244         |                          |
| Debtors                                      | 10    | 8,194,322         |                          | 9,670,138         |                          |
| Cash in hand                                 |       | 664               |                          | 1,177             |                          |
|  |       | <u>10,151,076</u> |                          | <u>12,415,559</u> |                          |
| <b>CREDITORS</b>                             |       |                   |                          |                   |                          |
| Amounts falling due within one year          | 11    | <u>1,043,536</u>  |                          | <u>3,904,302</u>  |                          |
| <b>NET CURRENT ASSETS</b>                    |       |                   | <u>9,107,540</u>         |                   | <u>8,511,257</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                   | 12,768,042               |                   | 12,069,083               |
| <b>PROVISIONS FOR LIABILITIES</b>            | 15    |                   | <u>405,200</u>           |                   | <u>284,900</u>           |
| <b>NET ASSETS</b>                            |       |                   | <u><u>12,362,842</u></u> |                   | <u><u>11,784,183</u></u> |
| <b>CAPITAL &amp; RESERVES</b>                |       |                   |                          |                   |                          |
| Called up share capital                      | 16    |                   | 201,000                  |                   | 201,000                  |
| Revaluation reserve                          | 17    |                   | 1,222,766                |                   | 1,246,258                |
| Retained earnings                            | 17    |                   | <u>10,939,076</u>        |                   | <u>10,336,925</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                   | 20    |                   | <u><u>12,362,842</u></u> |                   | <u><u>11,784,183</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 24 January 2024 and were signed on its behalf by:

N Fowle - Director

**Steelco (UK) Limited (Registered number: 02319502)**

**Statement of Changes in Equity  
for the Year Ended 31 July 2023**

|                                 | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Total<br>equity<br>£ |
|---------------------------------|------------------------------------|---------------------------|-----------------------------|----------------------|
| <b>Balance at 1 August 2021</b> | 201,000                            | 5,892,519                 | 1,269,750                   | 7,363,269            |
| <b>Changes in equity</b>        |                                    |                           |                             |                      |
| Profit for the year             | -                                  | 6,600,914                 | -                           | 6,600,914            |
| Total comprehensive income      | -                                  | 6,600,914                 | -                           | 6,600,914            |
| Dividends                       | -                                  | (2,180,000)               | -                           | (2,180,000)          |
| Transfer between reserves       | -                                  | 23,492                    | (23,492)                    | -                    |
| <b>Balance at 31 July 2022</b>  | 201,000                            | 10,336,925                | 1,246,258                   | 11,784,183           |
| <b>Changes in equity</b>        |                                    |                           |                             |                      |
| Profit for the year             | -                                  | 1,108,659                 | -                           | 1,108,659            |
| Total comprehensive income      | -                                  | 1,108,659                 | -                           | 1,108,659            |
| Dividends                       | -                                  | (530,000)                 | -                           | (530,000)            |
| Transfer between reserves       | -                                  | 23,492                    | (23,492)                    | -                    |
| <b>Balance at 31 July 2023</b>  | 201,000                            | 10,939,076                | 1,222,766                   | 12,362,842           |

The notes form part of these financial statements

**Steelco (UK) Limited (Registered number: 02319502)**

**Cash Flow Statement  
for the Year Ended 31 July 2023**

|   | Notes | 2023<br>£        | 2022<br>£          |
|---|-------|------------------|--------------------|
| <b>Cash flows from operating activities</b>                             |       |                  |                    |
| Cash generated from operations  | 21    | 1,996,040        | 4,680,162          |
| Interest paid   |       | (3,639)          | (3,533)            |
| Interest element of hire purchase or finance lease rental payments paid |       | -                | (1,844)            |
| Finance costs paid  |       | (78)             | (206)              |
| Tax paid  |       | (1,108,750)      | (2,086,826)        |
| Net cash from operating activities                                      |       | <u>883,573</u>   | <u>2,587,753</u>   |
| <b>Cash flows from investing activities</b>                             |       |                  |                    |
| Purchase of tangible fixed assets                                       |       | (399,526)        | (156,496)          |
| Sale of tangible fixed assets   |       | 45,500           | 18,000             |
| Interest received   |       | -                | 25                 |
| Net cash from investing activities                                      |       | <u>(354,026)</u> | <u>(138,471)</u>   |
| <b>Cash flows from financing activities</b>                             |       |                  |                    |
| Capital repayments in year  |       | -                | (268,342)          |
| Equity dividends paid   |       | (530,000)        | (2,180,000)        |
| Net cash from financing activities                                      |       | <u>(530,000)</u> | <u>(2,448,342)</u> |
| <b>(Decrease)/increase in cash and cash equivalents</b>                 |       | <u>(453)</u>     | <u>940</u>         |
| <b>Cash and cash equivalents at beginning of year</b>                   | 22    | 1,117            | 177                |
| <b>Cash and cash equivalents at end of year</b>                         | 22    | <u>664</u>       | <u>1,117</u>       |

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 July 2023**

**1. STATUTORY INFORMATION**

Steelco (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Turnover is recognised when the significant risks and rewards have been transferred to the buyer, which is when they have accepted physical delivery and control of the goods. No revenue is recognised if there are significant uncertainties regarding the recovery of the amount due.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                     |  |
|---------------------|--|
| Freehold property   | - 2% on valuation                              |
| Plant & machinery   | - 5% and 20% reducing balance                  |
| Fixtures & fittings | - 15% on reducing balance                      |
| Motor vehicles      | - 12.5% on cost and Straight line over 6 years |
| Computer equipment  | - 25% on cost                                  |

**Stocks**

Raw materials and consumables are valued at the lower of cost and estimated selling price less costs to complete and sell. Finished goods which have been delivered to customers but not invoiced, are valued at the lower of cost, processing and delivery, and estimated selling price.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences 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 tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are 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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

2. ACCOUNTING POLICIES - continued

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme and an employees personal defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

|                       | 2023             | 2022             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,653,733        | 1,729,428        |
| Social security costs | 198,772          | 212,066          |
| Other pension costs   | 42,939           | 21,663           |
|                       | <u>1,895,444</u> | <u>1,963,157</u> |

The average number of employees during the year was as follows:

|                        | 2023      | 2022      |
|------------------------|-----------|-----------|
| Office and management  | 8         | 7         |
| Production             | 10        | 11        |
| Sales and distribution | 11        | 11        |
|                        | <u>29</u> | <u>29</u> |

  

|  | 2023          | 2022     |
|--|---------------|----------|
|  | £             | £        |
| Directors' remuneration                                    | 20,020        | -        |
| Directors' pension contributions to money purchase schemes | <u>20,108</u> | <u>-</u> |

The number of directors to whom retirement benefits were accruing was as follows:

|                        |          |          |
|------------------------|----------|----------|
| Money purchase schemes | <u>5</u> | <u>2</u> |
|------------------------|----------|----------|

4. OPERATING PROFIT

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

|   | 2023        | 2022         |
|---|-------------|--------------|
|   | £           | £            |
| Other operating leases                    | 558         | 1,116        |
| Depreciation - owned assets               | 213,279     | 201,715      |
| Loss/(profit) on disposal of fixed assets | 38,071      | (2,021)      |
| Auditors' remuneration                    | 11,585      | 5,800        |
| Foreign exchange differences              | <u>(22)</u> | <u>1,397</u> |



Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

|                    | 2023         | 2022         |
|--------------------|--------------|--------------|
|                    | £            | £            |
| Other interest     | 3,639        | 3,533        |
| Hire purchase      | -            | 1,844        |
| Factoring interest | 78           | 206          |
|                    | <u>3,717</u> | <u>5,583</u> |

6. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

|                    | 2023           | 2022             |
|--------------------|----------------|------------------|
|                    | £              | £                |
| Current tax:       |                |                  |
| UK corporation tax | 258,841        | 1,529,719        |
| Deferred tax       | 120,300        | 17,800           |
| Tax on profit      | <u>379,141</u> | <u>1,547,519</u> |

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|   | 2023             | 2022             |
|---|------------------|------------------|
|   | £                | £                |
| Profit before tax   | <u>1,487,800</u> | <u>8,148,433</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 21.005% (2022 - 19%) | 312,512          | 1,548,202        |
| Effects of:   |                  |                  |
| Expenses not deductible for tax purposes  | 47               | 158              |
| Super deduction allowances  | (14,962)         | (8,920)          |
| Deferred tax (overprovision)/underprovision in previous year                                | (12,100)         | 8,079            |
| Deferred tax changes in tax rate  | 93,634           | -                |
| Rounding  | 10               | -                |
| Total tax charge  | <u>379,141</u>   | <u>1,547,519</u> |

7. **DIVIDENDS**

Dividends of £530,000 (2022 - £2,180,000) were paid on the A ordinary shares. and nil (2022 - nil) on the B ordinary shares.

The dividend in respect of the 8.75% preference shares has been waived, as in the previous year.

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

8. TANGIBLE FIXED ASSETS

|                          | Freehold<br>property<br>£ | Plant &<br>machinery<br>£  | Fixtures<br>& fittings<br>£ |
|--------------------------|---------------------------|----------------------------|-----------------------------|
| <b>COST OR VALUATION</b> |                           |                            |                             |
| At 1 August 2022         | 2,275,000                 | 1,782,652                  | 145,789                     |
| Additions                | -                         | 10,887                     | 3,895                       |
| Disposals                | -                         | -                          | -                           |
| At 31 July 2023          | <u>2,275,000</u>          | <u>1,793,539</u>           | <u>149,684</u>              |
| <b>DEPRECIATION</b>      |                           |                            |                             |
| At 1 August 2022         | 63,536                    | 733,138                    | 111,492                     |
| Charge for year          | 42,362                    | 70,608                     | 5,729                       |
| Eliminated on disposal   | -                         | -                          | -                           |
| At 31 July 2023          | <u>105,898</u>            | <u>803,746</u>             | <u>117,221</u>              |
| <b>NET BOOK VALUE</b>    |                           |                            |                             |
| At 31 July 2023          | <u>2,169,102</u>          | <u>989,793</u>             | <u>32,463</u>               |
| At 31 July 2022          | <u>2,211,464</u>          | <u>1,049,514</u>           | <u>34,297</u>               |
|                          | Motor<br>vehicles<br>£    | Computer<br>equipment<br>£ | Totals<br>£                 |
| <b>COST OR VALUATION</b> |                           |                            |                             |
| At 1 August 2022         | 728,732                   | 40,656                     | 4,972,829                   |
| Additions                | 374,170                   | 10,574                     | 399,526                     |
| Disposals                | (233,676)                 | -                          | (233,676)                   |
| At 31 July 2023          | <u>869,226</u>            | <u>51,230</u>              | <u>5,138,679</u>            |
| <b>DEPRECIATION</b>      |                           |                            |                             |
| At 1 August 2022         | 469,872                   | 36,965                     | 1,415,003                   |
| Charge for year          | 91,827                    | 2,753                      | 213,279                     |
| Eliminated on disposal   | (150,105)                 | -                          | (150,105)                   |
| At 31 July 2023          | <u>411,594</u>            | <u>39,718</u>              | <u>1,478,177</u>            |
| <b>NET BOOK VALUE</b>    |                           |                            |                             |
| At 31 July 2023          | <u>457,632</u>            | <u>11,512</u>              | <u>3,660,502</u>            |
| At 31 July 2022          | <u>258,860</u>            | <u>3,691</u>               | <u>3,557,826</u>            |

Included in cost or valuation of land and buildings is freehold land of £ 156,900 (2022 - £ 156,900 ) which is not depreciated.

Cost or valuation at 31 July 2023 is represented by:

|                   | Freehold<br>property<br>£ | Plant &<br>machinery<br>£ | Fixtures<br>& fittings<br>£ |
|-------------------|---------------------------|---------------------------|-----------------------------|
| Valuation in 2006 | (34,142)                  | -                         | -                           |
| Valuation in 2015 | 156,670                   | -                         | -                           |
| Valuation in 2018 | 228,105                   | -                         | -                           |
| Valuation in 2021 | 930,857                   | -                         | -                           |
| Cost              | <u>993,510</u>            | <u>1,793,539</u>          | <u>149,684</u>              |
|                   | <u>2,275,000</u>          | <u>1,793,539</u>          | <u>149,684</u>              |

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

8. **TANGIBLE FIXED ASSETS - continued**

|                   | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Totals<br>£      |
|-------------------|------------------------|----------------------------|------------------|
| Valuation in 2006 | -                      | -                          | (34,142)         |
| Valuation in 2015 | -                      | -                          | 156,670          |
| Valuation in 2018 | -                      | -                          | 228,105          |
| Valuation in 2021 | -                      | -                          | 930,857          |
| Cost              | <u>869,226</u>         | <u>51,230</u>              | <u>3,857,189</u> |
|                   | <u>869,226</u>         | <u>51,230</u>              | <u>5,138,679</u> |

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

|  | 2023<br>£      | 2022<br>£      |
|--|----------------|----------------|
| Cost   | <u>993,510</u> | <u>993,510</u> |
| Aggregate depreciation                       | <u>306,378</u> | <u>287,508</u> |
| Value of land in freehold land and buildings | <u>50,000</u>  | <u>50,000</u>  |

Freehold land and buildings were valued on an open market basis on 31 January 2021 by qualified independent chartered surveyors .

9. **STOCKS**

|                | 2023<br>£        | 2022<br>£        |
|----------------|------------------|------------------|
| Raw materials  | 1,570,052        | 2,193,029        |
| Finished goods | <u>386,038</u>   | <u>551,215</u>   |
|                | <u>1,956,090</u> | <u>2,744,244</u> |

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|               | 2023<br>£        | 2022<br>£        |
|---------------|------------------|------------------|
| Trade debtors | 8,106,492        | 9,588,104        |
| Other debtors | 40               | -                |
| Prepayments   | <u>87,790</u>    | <u>82,034</u>    |
|               | <u>8,194,322</u> | <u>9,670,138</u> |

Included in trade debtors are factored debts amounting to £8,104,758 (2022 - £9,585,883) made up as below. These debts are factored without recourse to the company for losses.

|                                   | 2023<br>£        | 2022<br>£        |
|-----------------------------------|------------------|------------------|
| Debtors factored without recourse |                  |                  |
| Gross debt                        | 8,119,048        | 9,574,336        |
| Non returnable proceeds           | <u>(14,290)</u>  | <u>11,547</u>    |
|                                   | <u>8,104,758</u> | <u>9,585,883</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                       | 2023             | 2022             |
|---------------------------------------|------------------|------------------|
|                                       | £                | £                |
| Bank loans & overdrafts (see note 12) | -                | 60               |
| Trade creditors                       | 579,398          | 2,690,914        |
| Corporation tax                       | 169,810          | 1,019,719        |
| Social security & other taxes         | 243,391          | 144,880          |
| Other creditors                       | 9,715            | 13,239           |
| Accruals & deferred income            | 41,222           | 35,490           |
|                                       | <u>1,043,536</u> | <u>3,904,302</u> |

12. **LOANS**

An analysis of the maturity of loans is given below:

|   | 2023     | 2022      |
|---|----------|-----------|
|   | £        | £         |
| Amounts falling due within one year or on demand: |          |           |
| Bank overdrafts                                   | <u>-</u> | <u>60</u> |

13. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                 | 2023     | 2022       |
|-----------------|----------|------------|
|                 | £        | £          |
| Within one year | <u>-</u> | <u>558</u> |

14. **SECURED DEBTS**

There is a legal charge over the freehold property in support of loans made to Fowle & Co Limited by the Fowle Executive Pension Scheme. Fowle & Co Limited has a participating interest in Steelco (UK) Limited and is controlled by the same directors.

15. **PROVISIONS FOR LIABILITIES**

|                                | 2023           | 2022           |
|--------------------------------|----------------|----------------|
|                                | £              | £              |
| Deferred tax                   | <u>405,200</u> | <u>284,900</u> |
|                                |                | Deferred tax   |
|                                |                | £              |
| Balance at 1 August 2022       |                | 284,900        |
| Accelerated capital allowances |                | 43,100         |
| Property revaluations          |                | (8,000)        |
| Overprovision previous years   |                | (12,100)       |
| Movement re tax rate change    |                | <u>97,300</u>  |
| Balance at 31 July 2023        |                | <u>405,200</u> |

No deferred tax provision has been made in respect of the revaluation of freehold property as no unrecognised gain for tax purposes arose on the valuation after indexation has been applied.

**Steelco (UK) Limited (Registered number: 02319502)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023**

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:                  | Nominal value: | 2023<br>£      | 2022<br>£      |
|---------|-------------------------|----------------|----------------|----------------|
| 600     | Ordinary A Shares       | £1             | 600            | 600            |
| 400     | Ordinary B Shares       | £1             | 400            | 400            |
| 200,000 | 8.75% Preference shares | £1             | <u>200,000</u> | <u>200,000</u> |
|         |                         |                | <u>201,000</u> | <u>201,000</u> |

Voting rights and rights on winding up are the same for both A ordinary and B ordinary shares.

**17. RESERVES**

|                           | Retained earnings<br>£ | Revaluation reserve<br>£ | Totals<br>£       |
|---------------------------|------------------------|--------------------------|-------------------|
| At 1 August 2022          | 10,336,925             | 1,246,258                | 11,583,183        |
| Profit for the year       | 1,108,659              |                          | 1,108,659         |
| Dividends                 | (530,000)              |                          | (530,000)         |
| Transfer between reserves | 23,492                 | (23,492)                 | -                 |
| At 31 July 2023           | <u>10,939,076</u>      | <u>1,222,766</u>         | <u>12,161,842</u> |

**18. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

|                                 | 2023<br>£      | 2022<br>£        |
|---------------------------------|----------------|------------------|
| Sales                           | 204,211        | 257,496          |
| Purchases                       | 23,630,979     | 26,067,400       |
| Transport income                | -              | 2,954            |
| Management charge expense       | 48,000         | 48,000           |
| Diesel and lorry rental expense | 194,232        | 197,823          |
| Lorries sold to related party   | 31,000         | -                |
| Amount due to related party     | <u>477,142</u> | <u>2,552,058</u> |

Purchases of materials have been charged to Steelco (UK) Limited at the cost at which the related party bought the materials originally.

The related parties are controlled by the same directors.

**19. ULTIMATE CONTROLLING PARTY**

The company is controlled by the directors A Fowle and N Fowle.

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|  | 2023<br>£         | 2022<br>£         |
|--|-------------------|-------------------|
| Profit for the financial year              | 1,108,659         | 6,600,914         |
| Dividends                                  | (530,000)         | (2,180,000)       |
| <b>Net addition to shareholders' funds</b> | <u>578,659</u>    | <u>4,420,914</u>  |
| Opening shareholders' funds                | 11,784,183        | 7,363,269         |
| <b>Closing shareholders' funds</b>         | <u>12,362,842</u> | <u>11,784,183</u> |

Notes to the Financial Statements - continued  
for the Year Ended 31 July 2023

21. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

|   | 2023                    | 2022                    |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| Profit before taxation                    | 1,487,800               | 8,148,433               |
| Depreciation charges                      | 213,278                 | 201,716                 |
| Loss/(profit) on disposal of fixed assets | 38,071                  | (2,021)                 |
| Finance costs                             | 3,717                   | 5,583                   |
| Finance income                            | -                       | (25)                    |
|   | <u>1,742,866</u>        | <u>8,353,686</u>        |
| Decrease/(increase) in stocks             | 788,154                 | (896,575)               |
| Decrease in trade and other debtors       | 1,475,816               | 1,441,469               |
| Decrease in trade and other creditors     | <u>(2,010,796)</u>      | <u>(4,218,418)</u>      |
| <b>Cash generated from operations</b>     | <u><u>1,996,040</u></u> | <u><u>4,680,162</u></u> |

22. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 July 2023**

|                           | 31.7.23           | 1.8.22              |
|---------------------------|-------------------|---------------------|
|                           | £                 | £                   |
| Cash and cash equivalents | 664               | 1,177               |
| Bank overdrafts           | -                 | (60)                |
|                           | <u><u>664</u></u> | <u><u>1,117</u></u> |

**Year ended 31 July 2022**

|                           | 31.7.22             | 1.8.21            |
|---------------------------|---------------------|-------------------|
|                           | £                   | £                 |
| Cash and cash equivalents | 1,177               | 177               |
| Bank overdrafts           | (60)                | -                 |
|                           | <u><u>1,117</u></u> | <u><u>177</u></u> |

23. ANALYSIS OF CHANGES IN NET FUNDS

|                          | At 1.8.22           | Cash flow           | At 31.7.23        |
|--------------------------|---------------------|---------------------|-------------------|
|                          | £                   | £                   | £                 |
| <b>Net cash</b>          |                     |                     |                   |
| Cash at bank and in hand | 1,177               | (513)               | 664               |
| Bank overdrafts          | <u>(60)</u>         | <u>60</u>           | <u>-</u>          |
|                          | <u><u>1,117</u></u> | <u><u>(453)</u></u> | <u><u>664</u></u> |
| <b>Total</b>             | <u><u>1,117</u></u> | <u><u>(453)</u></u> | <u><u>664</u></u> |

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