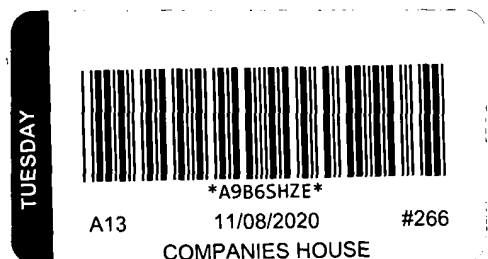


Company Registration No. 04316537 (England and Wales)

All Steels Trading Limited

**Annual report and financial statements
for the year ended 31 December 2019**



All Steels Trading Limited

Company information

| | | |
|------------------|---|--|
| Directors | Laurence McDougall Matthew Rhodes Kim McDougall Thomas McDougall Jonathan Jacobs Lee White | (Appointed 28 January 2019) (Appointed 1 February 2019) (Appointed 1 April 2019) (Appointed 1 April 2019) (Appointed 1 April 2020) |
|------------------|---|--|

| | |
|-----------------------|----------|
| Company number | 04316537 |
|-----------------------|----------|

| | |
|--------------------------|---|
| Registered office | Vulcan House York Road Thirsk North Yorkshire YO7 3BT |
|--------------------------|---|

| | |
|----------------------------|--|
| Independent auditor | Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX |
|----------------------------|--|

| | |
|----------------|---|
| Bankers | HSBC Bank plc Yorkshire and North East Corporate Banking Centre 4th Floor, City Point 29 King Street Leeds LS1 2HL |
|----------------|---|

All Steels Trading Limited

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All Steels Trading Limited

Strategic report

For the year ended 31 December 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

We aim to present a balanced review of the development and performance of the 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 mindful of the risks and uncertainties we face.

The business review has been prepared solely to provide information to shareholders as a body to assess the Company's strategies and the potential for those strategies to succeed. The review should not be relied on by any other party or for any other purpose.

Description of principal risks and uncertainties

The business' principal customers are steel stockholders and the main risk is a significant reduction in steel demand and a resulting deterioration in steel prices. There is also the underlying problem of uncertainty created by both EU Safeguard quotas and Brexit.

The company continues to insure its debts through QBE.

There is no foreign exchange risk as the company forward buys or sells currency at the point each contract is finalised.

Analysis based on Key Performance Indicators

We consider that our key performance indicators are those demonstrating our financial performance and strength of the Company as a whole, being turnover, gross margin and net assets.

| | 2019 | 2018 | 2017 |
|---------------------|--------|--------|--------|
| | £000s | £000s | £000s |
| Turnover | 76,802 | 64,784 | 59,793 |
| Gross profit margin | 5.14% | 7.04% | 12.96% |
| Net assets | 9,427 | 9,358 | 8,272 |

Analysis based on Key Performance Indicators

The business achieved phenomenal sales growth in what was effectively a falling market with weakening demand. This was also achieved in a trading environment that remained confused by both the impact of EU Safeguard quota measures and the uncertainty caused by the lack of clarity with respect to Brexit. Gross profit margins naturally suffer when steel prices tumble but the business counteracted a substantial part of this adverse effect through expanding its customer base and significantly increasing its sales volumes. Despite all the difficulties faced in 2019, for the Company to achieve a profit before tax of over £1million is extraordinary, and the Company would like to place on record the appropriate credit and thanks to all staff for their collaborative efforts.

To navigate the quota restrictions and Brexit risks the business continued to switch more purchases to domestic supply, which also helped to eliminate other risks typically associated with the import of bulk shipments whilst also helping to reduce lead times on supplies. Distant import supply however continued to be the only option on a number of key products where EU Safeguards remained in force, so again the business was required to take the strategic approach of substantially increasing its year end stock of non-EU material to avoid potential 25% import duties as quota availability got nearer to exhaustion on such core products. The negative consequence was that this put pressure on both warehousing capacity and logistics whilst also stretching our financial resource.

The high stock inventories held during 2019 resulted in having to use additional port facilities on both sides of the country adding extra logistical costs whilst also over complicating operations and administration. The planned long term solution to end this inconvenience and constraint was established in November when the large extension to our main warehouse at Groveport was effectively completed doubling the size of our storage facilities at this location.

The enlarged Groveport warehouse completed by our logistics partner, PD Ports is a real flagship port side development and best in class for the handling of an extensive range of steel products. This was one of the most positive outcomes of 2019, and firmly solidifies the Company's long-term partnership with PD Ports as the facility has been created under the framework of a new 17-year storage and logistics contract.

Whilst it will take time for the business to consolidate all its stock at Groveport the natural slowing down of trade during the period of uncertainty caused by COVID-19 has allowed the Company to make substantial progress in moving most of its remote stocks into the new Groveport warehouse. This really does help to simplify the business going forward whilst also reducing operating costs and more importantly creating the perfect one stop shop hub that gives serious differentiation to the service and extensive product offering to our customers.

During the year, the Company's main shareholder also acquired a 90% stake in the company Bromford Iron Ltd that purchased the assets of the former Bromford Iron & Steel Ltd. This acquisition process saved around 50 steel industry jobs at this hot re-rolling mill, whilst also adding additional niche products for the Company to promote.

HSBC continued to provide finance facilities throughout 2019, and the directors are pleased to confirm that the facilities are sufficient to meet the anticipated requirements for the forthcoming year.

All Steels Trading Limited

Strategic report (continued)

For the year ended 31 December 2019

Section 172(1) statement

The Company recognises the importance of delivering effective corporate governance support the success and sustainability of the business in the long term. The members of the board offer a broad range of technical and industrial experience as part of the decision making process.

Training

The Board of directors are aware of the importance of undertaking regular and ongoing training to support regulatory requirements. There is currently an informal induction process for new directors, with presentations and materials delivered as part of the induction process. Most directors and senior managers received training during the reporting period, and going forward, it is anticipated that a regular and ongoing directors training programme will be developed to support broader regulatory requirements, cascaded to senior managers as required.

Board meetings

The Company holds regular meetings throughout the year and is supported by management and various departmental divisions providing timely and detailed information in support of the Board's decision-making. The Board operates an agenda of items appropriate to the size and complexity of the business. Items requiring Board approval are clearly defined and will include; new bank facilities, investment proposals, including acquisitions and disposals, and significant changes to the way health and safety is managed and monitored.

The Board receives monthly reports on the operating and financial performance of the business including current and forecast financial information in order to inform decision-making and strategy.

The Board ensures that appropriate policies are in place in relation to matters including anti-slavery and human trafficking, anti-bribery and corruption and the Company's tax strategy.

Decision making

Where appropriate the directors will consult with professionals or other organisations to assist with decision making and help consider the likely consequences of the decision in the long term. The interests of all key stakeholders including the Company's employees, suppliers, customers and the wider community are considered as part of the decision-making process.

The Company actively engages with key stakeholders through employee, customer and supplier feedback in the form of surveys and one-on-one meetings.

Principal decisions

Principal decisions are undertaken by the Board following a thorough review process to take account of stakeholder and operational benefits to the business.

Culture

The Company's culture combines a family business ethos with a commitment to high quality across everything we do including corporate governance and general business conduct. The company's relationships with its stakeholder community are central to this.

All Steels Trading Limited

Strategic report (continued)

For the year ended 31 December 2019

Covid-19

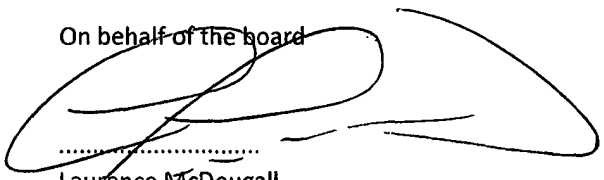
The Covid-19 pandemic resulted in a significant fall in volumes in April and May as many customers took the decision to shut down operations completely for varying lengths of time. The company remained profitable during these months due to careful management of costs and use of the government's furlough scheme. The cash position improved during this period following a significant reduction in stock levels. June saw a substantial improvement in sales volumes and profitability with the third quarter starting extremely strongly with indications that steel prices are rising. The group financial forecasts have been updated and sensitised to include the possible impact of the pandemic on the business and these show the business continuing to be able to trade profitably within its borrowing facilities. Based on the detailed forecasts, healthy current trading position and continued support of the bank, the directors are confident that the company will remain a going concern.

Future prospects

The outlook for 2020 is understandably uncertain, but the Company can take confidence from the fact that it has managed the challenges and has traded profitably throughout the opening half of the new year with business levels steadily increasing during the second quarter. A further positive note is that the high inventories have also significantly reduced during the period to more regular levels, having a positive effect on our cash position.

We also believe that the business remains very well positioned with what is now an established, professional team and very strong supplier and customer relationships that firmly form the foundations for the business's sustained success.

On behalf of the board



.....
Laurence McDougall
Director

Date: 6 August 2020

All Steels Trading Limited

Directors' report

For the year ended 31 December 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company during the year was the procurement and wholesale of general structural steels.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|--------------------|---|
| Andrew Shakespeare | (Resigned 25 January 2019) |
| Laurence McDougall | |
| Matthew Rhodes | (Appointed 28 January 2019) |
| Kim McDougall | (Appointed 1 February 2019) |
| Thomas McDougall | (Appointed 1 April 2019) |
| Jonathan Jacobs | (Appointed 1 April 2019) |
| Mark Darnell | (Appointed 1 April 2019 and resigned 18 April 2019) |
| Lee White | (Appointed 1 April 2020) |

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £731,577. The directors do not recommend payment of a final dividend.

Financial instruments

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Post reporting date events

The impact of the Covid-19 pandemic on the business is discussed in the strategic report on page 4.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

All Steels Trading Limited

Directors' report (continued)

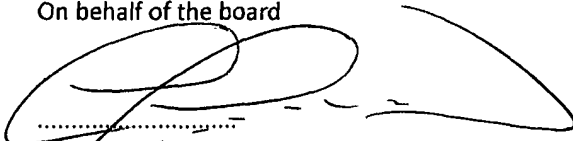
For the year ended 31 December 2019

Corporate Responsibility

During 2019 the business again selected The Prince's Trust as its main vehicle for charitable donations. The commitment totals £100,000 that is supporting 100 young people to go through The Trust's training and education programme to get into employment. Such a large donation commitment continues to award the business with a patronage status of The Prince's Trust.

For future developments and the directors regard to the need to foster the Company's business relationships see the Strategic Report.

On behalf of the board



.....
Laurence McDougall
Director

Date: 6 August 2020
.....

All Steels Trading Limited

Directors' responsibilities statement For the year ended 31 December 2019

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

All Steels Trading Limited

Independent auditor's report

To the members of All Steels Trading Limited

Opinion

We have audited the financial statements of All Steels Trading Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

All Steels Trading Limited

Independent auditor's report (continued)

To the members of All Steels Trading Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

All Steels Trading Limited

Independent auditor's report (continued)

To the members of All Steels Trading Limited

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. 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.



Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

6 August 2020

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

All Steels Trading Limited

**Statement of comprehensive income
For the year ended 31 December 2019**

| | | 2019 | 2018 |
|---|--------------|--------------|--------------|
| | Notes | £ | £ |
| Turnover | 3 | 76,801,713 | 64,783,954 |
| Cost of sales | | (72,851,666) | (60,220,315) |
| Gross profit | | 3,950,047 | 4,563,639 |
| Administrative expenses | | (2,010,963) | (2,213,672) |
| Other operating expenses | | - | (101,083) |
| Operating profit | 4 | 1,939,084 | 2,248,884 |
| Interest receivable and similar income | 7 | 7,719 | 8,000 |
| Interest payable and similar expenses | 8 | (618,661) | (462,340) |
| Other gains and losses | 9 | (313,509) | (56,402) |
| Profit before taxation | | 1,014,633 | 1,738,142 |
| Tax on profit | 10 | (214,291) | (342,545) |
| Profit for the financial year | | 800,342 | 1,395,597 |

The income statement has been prepared on the basis that all operations are continuing operations.

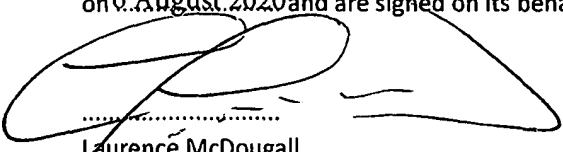
All Steels Trading Limited

Statement of financial position

As at 31 December 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|---------------------|------------------|---------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 963,648 | | 920,160 |
| Current assets | | | | | |
| Stocks | 14 | 21,618,415 | | 17,576,957 | |
| Debtors falling due after more than one year | 15 | 400,000 | | 100,000 | |
| Debtors falling due within one year | 15 | 21,418,858 | | 20,218,983 | |
| | | <u>43,437,273</u> | | <u>37,895,940</u> | |
| Creditors: amounts falling due within one year | 16 | <u>(34,710,894)</u> | | <u>(29,257,721)</u> | |
| Net current assets | | | 8,726,379 | | 8,638,219 |
| Total assets less current liabilities | | | <u>9,690,027</u> | | <u>9,558,379</u> |
| Creditors: amounts falling due after more than one year | 17 | | (201,167) | | (139,580) |
| Provisions for liabilities | 20 | | (61,996) | | (60,700) |
| Net assets | | | <u>9,426,864</u> | | <u>9,358,099</u> |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | 9,425,864 | | 9,357,099 |
| Total equity | | | <u>9,426,864</u> | | <u>9,358,099</u> |

The financial statements were approved by the board of directors and authorised for issue on 6 August 2020 and are signed on its behalf by:



 Laurence McDougall
 Director

Company Registration No. 04316537

All Steels Trading Limited

**Statement of changes in equity
For the year ended 31 December 2019**

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------|-----------------------|-------------------------------------|------------|
| Balance at 1 January 2018 | | 1,000 | 8,271,199 | 8,272,199 |
| Year ended 31 December 2018: | | | | |
| Profit and total comprehensive income for the year | | - | 1,395,597 | 1,395,597 |
| Dividends | 11 | - | (309,697) | (309,697) |
| Balance at 31 December 2018 | | 1,000 | 9,357,099 | 9,358,099 |
| Year ended 31 December 2019: | | | | |
| Profit and total comprehensive income for the year | | - | 800,342 | 800,342 |
| Dividends | 11 | - | (731,577) | (731,577) |
| Balance at 31 December 2019 | | 1,000 | 9,425,864 | 9,426,864 |

All Steels Trading Limited

Notes to the financial statements For the year ended 31 December 2019

1 Accounting policies

Company information

All Steels Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vulcan House, York Road, Thirsk, North Yorkshire, YO7 3BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of All Steels Trading Holdings Limited. These consolidated financial statements are available from its registered office, Vulcan House, York Road, Thirsk, North Yorkshire, England, YO7 3BT.

All Steels Trading Limited

Notes to the financial statements (continued) For the year ended 31 December 2019

1 Accounting policies (continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The Covid-19 pandemic resulted in a significant fall in volumes in April and May as many customers took the decision to shut down operations completely for varying lengths of time. The company remained profitable during these months due to careful management of costs and use of the government's furlough scheme. The cash position improved during this period following a significant reduction in stock levels. June saw a substantial improvement in sales volumes and profitability with the third quarter starting extremely strongly with indications that steel prices are rising. The group financial forecasts have been updated and sensitised to include the possible impact of the pandemic on the business and these show the business continuing to be able to trade profitably within its borrowing facilities. Based on the detailed forecasts, healthy current trading position and continued support of the bank, the directors are confident that the company will remain a going concern.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------------|--|
| Land and buildings Leasehold | Straight line over the term of the lease |
| Plant and machinery | 20% straight line |
| Computer equipment | 33% straight line |

1 Accounting policies (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

All Steels Trading Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies (continued)

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

All Steels Trading Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2019**3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

| | 2019 | 2018 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Sale of goods | 76,801,713 | 64,783,954 |
| | <u>76,801,713</u> | <u>64,783,954</u> |
| | 2019 | 2018 |
| | £ | £ |
| Other significant revenue | | |
| Interest income | 7,719 | 8,000 |
| | <u>7,719</u> | <u>8,000</u> |
| | 2019 | 2018 |
| | £ | £ |
| Turnover analysed by geographical market | | |
| United Kingdom | 70,629,863 | 60,491,563 |
| Overseas | 6,171,850 | 4,292,391 |
| | <u>76,801,713</u> | <u>64,783,954</u> |

4 Operating profit

| | 2019 | 2018 |
|---|---------------|----------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange gains | (560,259) | (34,562) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 15,505 | 12,700 |
| Depreciation of owned tangible fixed assets | 250,062 | 159,100 |
| Operating lease charges | 42,500 | - |
| | <u>42,500</u> | <u>-</u> |

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £560,259 (2018 - £34,562).

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2019 Number | 2018 Number |
|----------------------|----------------|----------------|
| Administrative staff | 17 | 18 |
| Management staff | 1 | 1 |
| | <u>18</u> | <u>19</u> |

Their aggregate remuneration comprised:

| | 2019 £ | 2018 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,210,151 | 945,017 |
| Social security costs | 128,605 | 92,419 |
| Pension costs | 28,719 | 217,462 |
| | <u>1,367,475</u> | <u>1,254,898</u> |

6 Directors' remuneration

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 403,641 | 198,158 |
| Company pension contributions to defined contribution schemes | 2,968 | 20,134 |
| | <u>406,609</u> | <u>218,292</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 1).

All Steels Trading Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2019**6 Directors' remuneration (continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 149,838 | 144,699 |
| Company pension contributions to defined contribution schemes | - | 20,134 |
| | <u>149,838</u> | <u>164,833</u> |

7 Interest receivable and similar income

| | 2019 £ | 2018 £ |
|-----------------------|--------------|--------------|
| Interest income | | |
| Other interest income | 7,719 | 8,000 |
| | <u>7,719</u> | <u>8,000</u> |

8 Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Interest on bank overdrafts and loans | 609,211 | 453,864 |
| Interest on finance leases and hire purchase contracts | 9,450 | 8,476 |
| | <u>618,661</u> | <u>462,340</u> |

9 Other gains and losses

| | 2019 £ | 2018 £ |
|--|------------------|-----------------|
| Fair value gains/(losses) on financial instruments | | |
| Gain on hedge item in a fair value hedge | 63,946 | 32,444 |
| Loss on hedging instrument in a fair value hedge | (377,455) | (88,846) |
| | <u>(313,509)</u> | <u>(56,402)</u> |

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

10 Taxation

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 201,943 | 329,429 |
| Adjustments in respect of prior periods | 11,052 | (21,732) |
| Total current tax | <u>212,995</u> | <u>307,697</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 16,460 | 34,848 |
| Adjustment in respect of prior periods | (15,164) | - |
| Total deferred tax | <u>1,296</u> | <u>34,848</u> |
| Total tax charge | <u>214,291</u> | <u>342,545</u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Profit before taxation | <u>1,014,633</u> | <u>1,738,142</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 192,780 | 330,247 |
| Tax effect of expenses that are not deductible in determining taxable profit | 36,644 | 38,129 |
| Effect of change in corporation tax rate | (1,937) | (4,099) |
| Group relief | (9,084) | - |
| Under/(over) provided in prior years | (4,112) | (21,732) |
| Taxation charge for the year | <u>214,291</u> | <u>342,545</u> |

11 Dividends

| | 2019 £ | 2018 £ |
|---------------------|----------------|----------------|
| Interim paid | <u>731,577</u> | <u>309,697</u> |

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

12 Tangible fixed assets

| | Land and buildings Leasehold | Plant and machinery | Computer equipment | Total |
|------------------------------------|------------------------------------|------------------------|-----------------------|-----------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2019 | 397,906 | 847,472 | 49,035 | 1,294,413 |
| Additions | 24,890 | 268,660 | - | 293,550 |
| At 31 December 2019 | 422,796 | 1,116,132 | 49,035 | 1,587,963 |
| Depreciation and impairment | | | | |
| At 1 January 2019 | - | 360,669 | 13,584 | 374,253 |
| Depreciation charged in the year | 40,376 | 195,675 | 14,011 | 250,062 |
| At 31 December 2019 | 40,376 | 556,344 | 27,595 | 624,315 |
| Carrying amount | | | | |
| At 31 December 2019 | 382,420 | 559,788 | 21,440 | 963,648 |
| At 31 December 2018 | 397,906 | 486,803 | 35,451 | 920,160 |

13 Financial instruments

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Carrying amount of financial liabilities | | |
| Measured at fair value through profit or loss | | |
| - Other financial liabilities | 377,455 | 88,846 |

Hedging arrangements

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2019, the outstanding contracts all mature within 5 months (2018: 9 months) of the year end. The Group is committed to buy US\$11,000,000 (2018: US \$4,225,000) and €1,828,044 (2018: €nil), sell US\$500,000 (2018: US\$300,000) and €2,550,000 (2018: €855,000) and pay/receive a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward-foreign currency contracts is a liability of £377,455 (2018: liability: £88,846). The fair value of the committed hedged items is £63,946 (2018: £32,444) and is included within other debtors at the year end. Currency differences in respect of hedged items represented by trade loans at the year-end are included within administrative expenses.

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

14 Stocks

| | 2019 | 2018 |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Finished goods and goods for resale | 21,618,415 | 17,576,957 |

15 Debtors

| | 2019 | 2018 |
|---|-------------------|-------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 19,829,080 | 19,159,690 |
| Amounts owed by group undertakings | 1,093,007 | 545,193 |
| Other debtors | 135,080 | 400,000 |
| Prepayments and accrued income | 361,691 | 114,100 |
| | <u>21,418,858</u> | <u>20,218,983</u> |

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Amounts falling due after more than one year: | | |

| | | |
|---------------|---------|---------|
| Other debtors | 400,000 | 100,000 |
|---------------|---------|---------|

| | | |
|----------------------|-------------------|-------------------|
| Total debtors | <u>21,818,858</u> | <u>20,318,983</u> |
|----------------------|-------------------|-------------------|

16 Creditors: amounts falling due within one year

| | | 2019 | 2018 |
|------------------------------------|--------------|-------------------|-------------------|
| | Notes | £ | £ |
| Bank loans and overdrafts | 18 | 23,469,065 | 23,332,393 |
| Obligations under finance leases | 19 | 106,155 | 120,803 |
| Trade creditors | | 9,786,457 | 3,981,110 |
| Corporation tax | | 35,368 | 98,973 |
| Other taxation and social security | | 55,309 | 743,155 |
| Derivative financial instruments | | 377,455 | 88,846 |
| Other creditors | | 643,155 | 729,050 |
| Accruals and deferred income | | 237,930 | 163,391 |
| | | <u>34,710,894</u> | <u>29,257,721</u> |

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

17 Creditors: amounts falling due after more than one year

| | Notes | 2019 £ | 2018 £ |
|----------------------------------|-------|-----------|-----------|
| Obligations under finance leases | 19 | 201,167 | 139,580 |

18 Loans and overdrafts

| | 2019 £ | 2018 £ |
|-------------------------|------------|------------|
| Bank overdrafts | 23,469,065 | 23,332,393 |
| Payable within one year | 23,469,065 | 23,332,393 |

Bank borrowings are secured by a debenture dated 16 April 2010 including a fixed and floating charge over all assets of the company.

19 Finance lease obligations

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Future minimum lease payments due under finance leases: | | |
| Within one year | 106,155 | 120,803 |
| In two to five years | 201,167 | 139,580 |
| | 307,322 | 260,383 |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The leases are secured over the assets to which they relate.

20 Provisions for liabilities

| | Notes | 2019 £ | 2018 £ |
|--------------------------|-------|-----------|-----------|
| Deferred tax liabilities | 21 | 61,996 | 60,700 |

All Steels Trading Limited

Notes to the financial statements (continued)

For the year ended 31 December 2019

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2019 £ | Liabilities 2018 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 66,610 | 61,443 |
| Short term timing differences | (4,614) | (743) |
| | <u>61,996</u> | <u>60,700</u> |
| | | |
| Movements in the year: | | 2019 £ |
| Liability at 1 January 2019 | | 60,700 |
| Charge to profit or loss | | 1,296 |
| | | <u>61,996</u> |
| Liability at 31 December 2019 | | <u>61,996</u> |

During the year beginning 1 January 2020 the net reversal of deferred tax liabilities is expected to increase the corporation tax charge for the year due to the reversal of accelerated capital allowances.

22 Retirement benefit schemes

| | 2019 £ | 2018 £ |
|---|---------------|----------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>28,719</u> | <u>217,462</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

| | 2019 £ | 2018 £ |
|------------------------------------|--------------|--------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 10,000 Ordinary shares of 10p each | <u>1,000</u> | <u>1,000</u> |

All Steels Trading Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2019**24 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2019 | 2018 |
|----------------------------|----------------|----------|
| | £ | £ |
| Within one year | 42,500 | - |
| Between two and five years | 170,000 | - |
| In over five years | 170,000 | - |
| | <u>382,500</u> | <u>-</u> |

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2019 | 2018 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Acquisition of tangible fixed assets | <u>127,605</u> | <u>189,193</u> |

26 Events after the reporting date

The impact of the Covid-19 pandemic on the business is discussed in the strategic report on page 4.

27 Related party transactions**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

| | Sale of goods | | Purchase of goods | |
|-------------------------------|-------------------|-------------------|-------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Entities under common control | <u>11,457,920</u> | <u>10,287,164</u> | <u>646,423</u> | <u>180,338</u> |

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

27 Related party transactions (continued)

| | Recharges to | | Recharges from | |
|-------------------------------|--------------|--------|----------------|---------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Entities under common control | 148,752 | 98,460 | 666,000 | 755,000 |

The following amounts were outstanding by related parties at the reporting end date:

| | 2019 Balance £ |
|--|----------------------|
| Amounts owed by related parties | |
| Entities with control, joint control or significant influence over the company | 1,093,007 |
| Entities under common control | 4,444,649 |
| | <u>5,537,656</u> |
| | |
| | 2018 Balance £ |
| Amounts owed in previous period | |
| Entities with control, joint control or significant influence over the company | 545,193 |
| Entities under common control | 4,013,459 |
| | <u>4,558,652</u> |

Included within amounts due from entities under common control is £100,000 (2018: £200,000) subject to a formal loan agreement carrying interest of 4% above the base rate and quarterly repayments of £25,000 (plus interest) commencing March 2017. Interest of £7,719 (2018: £8,000) was charged in the year.

In the prior year a property was sold to a pension scheme set up for the benefit of one of its directors for £500,000 on an arm's length basis. During the current year, rent of £42,500 (2018: Nil) was paid to the pension scheme in respect of this property.

All Steels Trading Limited

Notes to the financial statements (continued)
For the year ended 31 December 2019

28 Ultimate controlling party

The immediate and ultimate parent company of All Steels Trading Limited is All Steels Trading Holdings Limited, a company registered in England and Wales. All Steels Trading Holdings Limited prepares group financial statements which include the results of All Steels Trading Limited. The registered office of All Steels Trading Holdings Limited is Vulcan House, York Road, Thirsk, YO7 3BT.

Laurence McDougall is the ultimate controlling party by virtue of owning the majority of the issued share capital of All Steels Trading Holding Limited.