Co Hse

REGISTERED NUMBER: SC167475 (Scotland)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

FOR

BROWN & TAWSE STEELSTOCK LIMITED

Alfred Simmons Audit
Chartered Accountants
& Registered Auditors
Chancery House
3 Hatchlands Road
Redhill
Surrey
RH1 6AA

TUESDAY
SO7RKKI0
SCT 14/11/2006 862
COMPANIES HOUSE

BROWN & TAWSE STEELSTOCK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	12
Trading and Profit and Loss Account	23

BROWN & TAWSE STEELSTOCK LIMITED

COMPANY INFORMATION
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

DIRECTORS:	I Harding D G Lawrie I B Rae A Stewart
SECRETARY.	A Stewart
REGISTERED OFFICE:	Fowler Road West Pitkerro Industrial Estate Broughty Ferry Dundee DD5 3YN
REGISTERED NUMBER:	SC167475 (Scotland)
AUDITORS	Alfred Simmons Audit Chartered Accountants & Registered Auditors Chancery House 3 Hatchlands Road Redhill Surrey RH1 6AA

BROWN & TAWSE STEELSTOCK LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

The directors present their report with the financial statements of the company for the period 4 April 2005 to 2 April 2006

PRINCIPAL ACTIVITY
The principal activity of the company in the period under review was that of a stockholder of general steels, based in Dundee providing a full range of on site value added services including sawing, cutting, shotblasting and painting The principal activity of its trading subsidiary was that of the processing and supply of steel Its other subsidiary was dormant in the year

REVIEW OF BUSINESS
The results for the period and financial position of the company are as shown in the annexed financial statements

Turnover for the year was £13 1m compared with £16 8m in 2004/05 In common with other UK steel stockholders, the company experienced a sharp fall in steel prices throughout the financial year and therefore recorded a fall in turnover of over 21% compared with the previous year Gross margins were likewise under pressure for most of the year and fell from the exceptional level of 31% of sales achieved in 2004/05 to just over 26 1% in 2005/06

Profit before tax was £344,052 (2 6% of sales), although down from the previous year's record level of £1,038,376 (6 2% of sales), this is reasonable given the prevailing market conditions

Working capital at the year end remained broadly the same as the previous year The company continues to have a solid balance sheet with Shareholders' Funds remaining at the £3m level

Despite the fall in steel prices throughout the financial period, the company consolidated its position in its key markets and with its key customers, and continued to seek new ways to develop its core business The markets in which the company operates have generally been stable in recent years and the construction industry, which accounts for a large proportion of the company's sales, has been reasonably busy

The company has continued to invest in modern plant and equipment, including heavy goods vehicles, and in information systems Capital expenditure in the period under review was just over £168,000 The range of products and stock levels held in the business are both kept under regular review in order to maximise customer service and to pursue beneficial purchasing strategies Stocks increased in the period by almost 13% in pursuit of these twin goals

The over supply of steel in Europe and particularly in the UK in early 2005 reduced progressively throughout the year and the directors believe that by the end of the financial year supply and demand for steel in the UK was much better balanced The start of the new financial year has seen a reversal in the fall of steel prices on a world wide, European and also UK basis, a trend which seems likely to continue into 2007 As a stockholder, the company is exposed to fluctuating raw material prices, in order to minimise its exposure to falling prices it normally places purchase contacts on a quarterly basis and in any event does not enter into forward purchase contracts lasting more than six months

DIVIDENDS
An interim dividend of 0 25 per share was paid on 10 April 2005 The directors recommend that no final dividend be paid

The total distribution of dividends for the period ended 2 April 2006 will be £250,000

BROWN & TAWSE STEELSTOCK LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

DIRECTORS

The directors during the period under review were

I Harding
D G Lawrie
I B Rae
A Stewart

The directors holding office at 2 April 2006 did not hold any beneficial interest in the issued share capital of the company at 4 April 2005 or 2 April 2006

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

No rights to subscribe for shares in the company, or any other body corporate in the group, were granted to or exercised by any of the directors or any members of their immediate families during the financial year

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £650 (2005 £95,000), which were allocated as follows

Dundee Choral Union	£300
Red Cross	£50
Mercy Ships	£200
The Queen Mothers Memorial Fund for Scotland	£100

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 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 234ZA of the Companies Act 1985) 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

BROWN & TAWSE STEELSTOCK LIMITED

REPORT OF THE DIRECTORS
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

AUDITORS
The auditors, Alfred Simmons Audit, will be proposed for re appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD·

I Harding Director

Date 29/9/06

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BROWN & TAWSE STEELSTOCK LIMITED

We have audited the financial statements of Brown & Tawse Steelstock Limited for the period ended 2 April 2006 on pages seven to twenty two These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give atrue and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BROWN & TAWSE STEELSTOCK LIMITED

Opinion

In our opinion the financial statements

give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 2 April 2006 and of its profit for the period then ended, and

have been properly prepared in accordance with the Companies Act 1985

In our opinion the information given in the report of the directors is consistent with the financial statements

Alfred Simmons Audit

Alfred Simmons Audit
Chartered Accountants
& Registered Auditors
Chancery House
3 Hatchlands Road
Redhill
Surrey
RH1 6AA

Date 2\10\06

BROWN & TAWSE STEELSTOCK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

	Notes	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
TURNOVER		13,157,019	16,726,430
Cost of sales		9,714,833	11,509,628
GROSS PROFIT		3,442,186	5,216,802
Administrative expenses		2,979,812	4,052,206
OPERATING PROFIT	3	462,374	1,164,596
Income from shares in group undertakings			40,000
		462,374	1,204,596
Amounts written off investments	4		31,056
		462,374	1,173,540
Interest payable and similar charges	5	118,322	135,164
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		344,052	1,038,376
Tax on profit on ordinary activities	6	82,136	284,649
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		261,916	753,727
PROFIT FOR THE PERIOD		261,916	753,727
Retained profit brought forward		2,001,860	1,548,133
		2,263,776	2,301,860
Dividends	7	(250,000)	(300,000)
RETAINED PROFIT CARRIED FORWARD		2,013,776	2,001,860

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current period or previous period

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current period or previous period

The notes form part of these financial statements

BROWN & TAWSE STEELSTOCK LIMITED

BALANCE SHEET
2 APRIL 2006

	Notes	2006 £	2006 £	2005 £	2005 £
FIXED ASSETS					
Tangible assets	8		1,656,751		1,724,783
Investments	9		101,849		101,849
			1,758,600		1,826,632
CURRENT ASSETS					
Stocks	10	3,269,660		2,900,521	
Debtors	11	3,915,946		4,326,558	
Cash at bank and in hand		1,250		77,833	
		7,186,856		7,304,912	
CREDITORS					
Amounts falling due within one year	12	5,817,676		6,019,800	
NET CURRENT ASSETS			1,369,180		1,285,112
TOTAL ASSETS LESS CURRENT LIABILITIES			3,127,780		3,111,744
CREDITORS					
Amounts falling due after more than one year	13		114,004		109,884
NET ASSETS			3,013,776		3,001,860
CAPITAL AND RESERVES					
Called up share capital	17		1,000,000		1,000,000
Profit and loss account			2,013,776		2,001,860
SHAREHOLDERS' FUNDS	22		3,013,776		3,001,860

The financial statements were approved by the Board of Directors on 29/9/06 and were signed on its behalf by

I Harding Director

The notes form part of these financial statements

BROWN & TAWSE STEELSTOCK LIMITED

CASH FLOW STATEMENT
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

	Notes	Period 4 4 05 to 2 4 06 £	£	Period 5 4 04 to 3 4 05 £	£
Net cash inflow from operating activities	1		681,057		686,294
Returns on investments and servicing of finance	2		(118,322)		(95,164)
Taxation			(283,575)		(19,000)
Capital expenditure	2		(88,218)		(128,575)
Equity dividends paid			(250,000)		(300,000)
			(59,058)		143,555
Financing	2		(222,672)		(99,675)
(Decrease)/Increase in cash in the period			(281,730)		43,880

Reconciliation of net cash flow to movement in net debt3				
(Decrease)/Increase in cash in the period	(281,730)		43,880	
Cash outflow from decrease in debt and lease financing	219,792		99,675	
Change in net debt resulting from cash flows		(61,938)		143,555
New finance leases		(80,000)		(80,000)
Movement in net debt in the period		(141,938)		63,555
Net debt at 4 April		(1,567,427)		(1,630,982)
Net debt at 2 April		(1,709,365)		(1,567,427)

The notes form part of these financial statements

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Operating profit	462,374	1,164,596
Depreciation charges	236,252	218,543
Profit on disposal of fixed assets		(9,773)
Increase in stocks	(369,139)	(723,256)
Decrease/(Increase) in debtors	413,490	(530,219)
(Decrease)/Increase in creditors	(61,920)	566,403
Net cash inflow from operating activities	681,057	686,294

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Returns on investments and servicing of finance		
Interest paid	(110,079)	(123,403)
Interest element of hire purchase payments	(8,243)	(11,761)
Dividends received		40,000
Net cash outflow for returns on investments and servicing of finance	(118,322)	(95,164)
Capital expenditure		
Purchase of tangible fixed assets	(88,218)	(144,194)
Sale of tangible fixed assets		15,619
Net cash outflow for capital expenditure	(88,218)	(128,575)
Financing		
Capital repayments in year	(219,792)	(99,675)
Amount withdrawn by directors	(2,880)	
Net cash outflow from financing	(222,672)	(99,675)

The notes form part of these financial statements

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 4 APRIL 2005 TO 2 APRIL 2006

3 ANALYSIS OF CHANGES IN NET DEBT

	At 4 4 05 £	Cash flow £	Other non cash changes £	At 2 4 06 £
Net cash				
Cash at bank and in hand	77,833	(76,583)		1,250
Bank overdraft	(1,317,923)	(205,147)		(1,523,070)
	(1,240,090)	(281,730)		(1,521,820)
Debt				
Hire purchase	(192,337)	84,792	(80,000)	(187,545)
Debts falling due within one year	(135,000)	135,000		
	(327,337)	219,792	(80,000)	(187,545)
Total	(1,567,427)	(61,938)	(80,000)	(1,709,365)

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention

Exemption from preparing consolidated financial statements
The financial statements contain information about Brown & Tawse Steelstock Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Steelstock UK Limited, a company registered in England and Wales

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold property	2% on cost
Plant and machinery	at varying rates on cost
Fixtures and fittings	at varying rates on cost
Motor vehicles	at varying rates on cost
Computer equipment	at varying rates on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

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 the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account as incurred

Pensions
The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund Contributions payable for the period are charged in the profit and loss account

Investments
Investments are included at cost Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities

continued

2 STAFF COSTS

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Wages and salaries	1,298,134	1,558,105
Social security costs	119,493	152,239
Other pension costs	135,577	434,230
	1,553,204	2,144,574

The average monthly number of employees during the period was as follows

	Period 4 4 05 to 2 4 06	Period 5 4 04 to 3 4 05
Selling and Distribution	65	65
Administration	4	4
	69	69

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Depreciation owned assets	166,490	153,878
Depreciation assets on hire purchase contracts	69,760	64,666
Profit on disposal of fixed assets		(9,773)
Auditors' remuneration	11,003	13,998
Directors' emoluments	211,955	397,660
Directors' pension contributions to money purchase schemes	79,125	368,378

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

Money purchase schemes	4	4

continued

3 OPERATING PROFIT continued

Information regarding the highest paid director is as follows

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Emoluments etc	57,096	118,199
Pension contributions to money purchase schemes	10,000	6,000

4 AMOUNTS WRITTEN OFF INVESTMENTS

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Amounts w/o invs		31,056

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Bank loan interest	108,630	113,824
Pension fund loan interest	1,449	9,579
Hire purchase	8,243	11,761
	118,322	135,164

6 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the period was as follows

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Current tax		
UK corporation tax	83,210	284,649
Prior year overprovision	(1,074)	
Tax on profit on ordinary activities	82,136	284,649

continued

6 TAXATION continued

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK The difference is explained below

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Profit on ordinary activities before tax	344,052	1,038,376
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	103,216	311,513
Effects of		
Expenses not deductible for tax purposes	8,078	6,123
Capital allowances for the period in excess of depreciation	(16,230)	(30,055)
Profit on sale of fixed assets		(2,932)
Marginal relief	(11,854)	
Prior year overprovision	(1,074)	
Current tax charge	82,136	284,649

7 DIVIDENDS

	Period 4 4 05 to 2 4 06 £	Period 5 4 04 to 3 4 05 £
Equity shares		
Interim	250,000	300,000

continued

8 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 4 April 2005	550,618	1,666,415	37,686
Additions		14,484	13,589
At 2 April 2006	550,618	1,680,899	51,275
DEPRECIATION			
At 4 April 2005	57,253	804,991	37,686
Charge for period	9,699	110,137	1,626
At 2 April 2006	66,952	915,128	39,312
NET BOOK VALUE			
At 2 April 2006	483,666	765,771	11,963
At 3 April 2005	493,365	861,424	

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 4 April 2005	576,184	112,142	2,943,045
Additions	121,250	18,895	168,218
Disposals		(31,611)	(31,611)
At 2 April 2006	697,434	99,426	3,079,652
DEPRECIATION			
At 4 April 2005	225,087	93,245	1,218,262
Charge for period	105,358	9,430	236,250
Eliminated on disposal		(31,611)	(31,611)
At 2 April 2006	330,445	71,064	1,422,901
NET BOOK VALUE			
At 2 April 2006	366,989	28,362	1,656,751
At 3 April 2005	351,097	18,897	1,724,783

continued

8 TANGIBLE FIXED ASSETS continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 4 April 2005	48,015	348,799	396,814
Additions		103,000	103,000
Transfer to ownership	(48,015)		(48,015)
At 2 April 2006		451,799	451,799
DEPRECIATION			
At 4 April 2005	16,806	116,245	133,051
Charge for period		69,760	69,760
Transfer to ownership	(16,806)		(16,806)
At 2 April 2006		186,005	186,005
NET BOOK VALUE			
At 2 April 2006		265,794	265,794
At 3 April 2005	31,209	232,554	263,763

9 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 4 April 2005 and 2 April 2006	132,905
PROVISIONS	
At 4 April 2005 and 2 April 2006	31,056
NET BOOK VALUE	
At 2 April 2006	101,849
At 3 April 2005	101,849

continued

9 FIXED ASSET INVESTMENTS continued

The company's investments at the balance sheet date in the share capital of companies include the following

Brown & Wilson Steels Limited
Country of incorporation Scotland
Nature of business Steel stockholder

Class of shares	% holding
Ordinary	80 00

	2006 £	2005 £
Aggregate capital and reserves	804,377	568,920
Profit for the period	235,457	369,516

Harbour Engineering (Aberdeen) Limited
Country of incorporation Scotland
Nature of business Dormant company

Class of shares	% holding
Ordinary	100 00

	2006 £	2005 £
Aggregate capital and reserves	21,849	21,849

10 STOCKS

	2006 £	2005 £
Stocks	3,269,660	2,900,521

11 DEBTORS

	2006 £	2005 £
Amounts falling due within one year		
Trade debtors	3,077,883	2,975,546
Other debtors	1,400	1,187
Directors' current accounts	2,880	
Prepayments and accrued income	125,785	123,219
	3,207,948	3,099,952
Amounts falling due after more than one year		
Amounts owed by group undertakings	707,998	1,226,606
Aggregate amounts	3,915,946	4,326,558

Included in trade debtors are debts on which £1,468,750 (2005 £1,304,679) has been advanced

continued

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 14)	1,523,070	1,317,923
Other loans (see note 14)		135,000
Hire purchase contracts (see note 15)	73,541	82,453
Trade creditors	3,445,448	2,923,374
Amounts owed to group undertakings	21,849	21,849
Tax	83,210	284,649
Social security and other taxes	45,791	61,629
VAT	95,112	217,963
Other creditors	71,510	103,060
Accruals and deferred income	458,145	871,900
	5,817,676	6,019,800

13 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 15)	114,004	109,884

14 LOANS

An analysis of the maturity of loans is given below

	2006	2005
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	1,523,070	1,317,923
Pension fund loan		135,000
	1,523,070	1,452,923

continued

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2006	2005
	£	£
Gross obligations repayable		
Within one year	81,801	91,154
Between one and five years	123,051	116,506
	204,852	207,660
Finance charges repayable		
Within one year	8,260	8,701
Between one and five years	9,047	6,622
	17,307	15,323
Net obligations repayable		
Within one year	73,541	82,453
Between one and five years	114,004	109,884
	187,545	192,337

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2006	2005
	£	£
Expiring		
Within one year	30,000	
Between one and five years	9,653	
In more than five years	244,640	244,640
	284,293	244,640

continued

16 SECURED DEBTS

The following secured debts are included within creditors

	2006	2005
	£	£
Hire purchase contracts	187,545	192,337
Advances against trade debtors	1,468,750	1,304,679
	1,656,295	1,497,016

The amounts advanced against trade debtors are secured by a debenture covering all book debts of the company and a floating charge over all property and assets

The amounts due under hire purchase are secured on the assets to which they relate

17 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	2006	2005
			£	£
1,000,000	Ordinary	£1	1,000,000	1,000,000

18 ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary undertaking of Steelstock UK Limited, a company registered in England and Wales

The largest and smallest group of undertakings for which group accounts have been prepared is that headed by Steelstock UK Limited which is registered in England and Wales these accounts can be obtained from Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

19 TRANSACTIONS WITH DIRECTORS

During the year the company purchased a motor vehicle from Ian Harding, a director of the company, for £7,250 This transaction was carried out at arms length No money was owed to Ian Harding in respect to this transaction at the year end

At the year end I Harding's loan account was overdrawn by £2,880 This is the maximum that the loan account was overdrawn in the year

20 RELATED PARTY DISCLOSURES

At the balance sheet date the company owed Harbour Engineering (Aberdeen) Limited, a 100% subsidiary, £21,849 (2005 £21,849)

During the year the company transferred stock at cost to Brown & Wilson Steels Limited, an 80% subsidiary, amounting to £1,234,702 (2005 £620,758), and this company received stock at cost from Brown & Wilson Steels Limited amounting to £864,687 (2005 £1,158,024) At the period end Brown & Wilson Steels Limited owed this company £188,870 (2005 £625,543)

At the balance sheet date the company was owed by Steelstock UK Limited, the parent company, £519,128 (2005 £601,063), which was included in debtors

continued

21 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is I Harding as a result of his controlling shareholding in Steelstock UK Limited

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial period	261,916	753,727
Dividends	(250,000)	(300,000)
Net addition to shareholders' funds	11,916	453,727
Opening shareholders' funds	3,001,860	2,548,133
Closing shareholders' funds	3,013,776	3,001,860
Equity interests	3,013,776	3,001,860