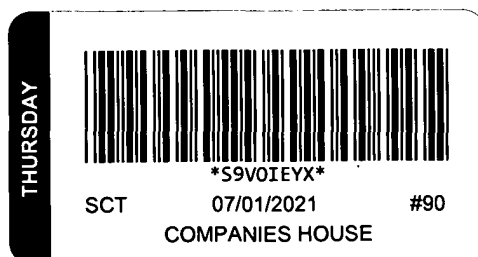


**REGISTRAR'S
COPY**

Company Registration No. SC167475 (Scotland)

**BROWN & TAWSE STEELSTOCK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 5 APRIL 2020**



BROWN & TAWSE STEELSTOCK LIMITED

COMPANY INFORMATION

Directors	I Harding T S Wilson P J Bailey M R Clarke J A Wood	(Appointed 20 July 2020)
------------------	---	--------------------------

Secretary	I Harding
------------------	-----------

Company number	SC167475
-----------------------	----------

Registered office	Fowler Road West Pitkerro Industrial Estate Broughty Ferry Dundee DD5 3YN
--------------------------	---

Auditor	Haines Watts Farnborough (2020) LLP 30 Camp Road Farnborough Hampshire GU14 6EW
----------------	---

BROWN & TAWSE STEELSTOCK LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 24

BROWN & TAWSE STEELSTOCK LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 5 APRIL 2020

The directors present the strategic report for the period ended 5 April 2020.

Principal activities and review of the business (including KPIs)

The principal activity of the company continued to be that of a stockholder of general steels, based in Dundee, Aberdeen and Leeds, providing a full range of on-site value-added services including sawing, drilling, plasma and laser-cutting, shotblasting and painting.

Turnover for the period was £17.9m compared to £18.8m in 2019. The decrease in turnover was due to fluctuations in steel prices and to product mix changes compared with 2019.

Gross margins were 33.2% of sales, compared to 31.2% in the previous period.

Operating profit was £288K (£453K in 2019). The directors believe this is a creditable outcome for the financial year. In recent years, the company has out-performed many of its peers in the stockholding industry by reason of its broad customer base and the lack of concentration in a narrow range of market sectors.

Stock balances have decreased by 24%, having been artificially high in the previous year in preparation for the anticipated Brexit date at the end of March 2019. Average stock holding time has remained consistent with historical trends. The company continues to have a strong balance sheet with shareholders funds of £6.3m (2019 - £6.1m).

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.

The board has a policy of continued capital investment, with £500k having been expended in 2020 compared with £297k in 2019, in order to maintain the fabric and operating capacity of the business, to continue the programme of HGV replacement with greener, less polluting vehicles, and to increase the company's value-added processing facilities.

Principal risks and uncertainties

As a stockholder, the company is exposed to fluctuating raw material prices; in order to minimise its exposure to price fluctuations it normally places purchase contracts on a quarterly basis and in any event does not enter into forward purchase contracts lasting more than six months.

The company has considered the effect that the ongoing COVID-19 pandemic may have on the business and consideration of this has been included in the directors' report.

Future developments

Since the end of the 2020, the UK steel industry has seen demand for its products adversely affected by the global pandemic. The company has continued to satisfy the demands of those customers, many in key industries which require steel, by maintaining operations from all of our depots. The measures taken by the UK government to support the industrial sector have undoubtedly cushioned the company from much of the financial pain, which would otherwise have been inflicted, by the effects of the measures implemented by the UK and Scottish governments to combat COVID-19.

In preparation for a return to some form of business 'normality', in 2021 or beyond, the company has continued its programme of investment in plant & machinery and HGV replacement.

On behalf of the board



I Harding

Director

Dated: 10/12/20

BROWN & TAWSE STEELSTOCK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 5 APRIL 2020

The directors present their annual report and financial statements for the period ended 5 April 2020.

Directors

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

I Harding	
D G Lawrie	(Resigned 30 June 2020)
T S Wilson	
P J Bailey	
M R Clarke	
J A Wood	(Appointed 20 July 2020)

Results and dividends

The results for the period are set out on page 7.

Ordinary dividends were paid amounting to £210,000 (2019 - £nil). The directors do not recommend payment of a further dividend.

Statement of directors' responsibilities

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.

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.

BROWN & TAWSE STEELSTOCK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

Risks and uncertainties

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have considered their cash flow requirements to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19 including the measures that they can take to mitigate the impact. In making these assessments the Directors have budgeted for the business to be operating at around 80% capacity for the 2021 financial year, before returning to more normal trading levels. Mitigating actions, comprising the furloughing of underutilised staff, tight control of discretionary expenditure and reduction of stocks in line with reduced levels of trading, have all been implemented.

Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

On behalf of the board



I Harding

Director

10/12/20

BROWN & TAWSE STEELSTOCK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BROWN & TAWSE STEELSTOCK LIMITED

Opinion

We have audited the financial statements of Brown & Tawse Steelstock Limited (the 'company') for the period ended 5 April 2020 which comprise the statement of comprehensive income, the balance sheet, 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 5 April 2020 and of its profit for the period 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The directors' view on the impact of COVID-19 is disclosed in the accounting policies note 1.2.

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.

BROWN & TAWSE STEELSTOCK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BROWN & TAWSE STEELSTOCK LIMITED

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 period 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.

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.

BROWN & TAWSE STEELSTOCK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BROWN & TAWSE STEELSTOCK LIMITED

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.


Roslyn McFarlane (Senior Statutory Auditor)
for and on behalf of Haines Watts Farnborough (2020) LLP

23/12/2020

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

BROWN & TAWSE STEELSTOCK LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 5 APRIL 2020**

		Period ended 5 April 2020 £	Period ended 31 March 2019 £
	Notes		
Turnover	3	17,924,954	18,773,950
Cost of sales		(11,971,846)	(12,924,616)
Gross profit		5,953,108	5,849,334
Administrative expenses		(5,665,309)	(5,396,487)
Operating profit	4	287,799	452,847
Interest receivable and similar income	7	100,000	811,153
Interest payable and similar expenses	8	(37,157)	(41,252)
Profit before taxation		350,642	1,222,748
Tax on profit	9	48,510	(107,791)
Profit for the financial period		399,152	1,114,957

The profit and loss account has been prepared on the basis that all operations are continuing operations.

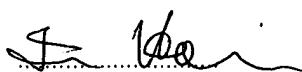
BROWN & TAWSE STEELSTOCK LIMITED

BALANCE SHEET

AS AT 5 APRIL 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	1,763,731		1,666,349	
Investments	12	495,040		495,040	
		<u>2,258,771</u>		<u>2,161,389</u>	
Current assets					
Stocks	14	3,783,253		4,977,409	
Debtors falling due after more than one year	15	4,220,687		4,147,629	
Debtors falling due within one year	15	4,027,826		4,363,348	
		<u>12,031,766</u>		<u>13,488,386</u>	
Creditors: amounts falling due within one year	16	<u>(5,607,189)</u>		<u>(7,374,381)</u>	
Net current assets		<u>6,424,577</u>		<u>6,114,005</u>	
Total assets less current liabilities		<u>8,683,348</u>		<u>8,275,394</u>	
Creditors: amounts falling due after more than one year	17	<u>(2,366,406)</u>		<u>(2,147,604)</u>	
Net assets		<u><u>6,316,942</u></u>		<u><u>6,127,790</u></u>	
Capital and reserves					
Called up share capital	21	1,000,000		1,000,000	
Profit and loss reserves		<u>5,316,942</u>		<u>5,127,790</u>	
Total equity		<u><u>6,316,942</u></u>		<u><u>6,127,790</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 10/12/20 and are signed on its behalf by:



I Harding
Director

Company Registration No. SC167475

BROWN & TAWSE STEELSTOCK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 5 APRIL 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 2 April 2018		1,000,000	4,012,833	5,012,833
Period ended 31 March 2019:				
Profit and total comprehensive income for the period		-	1,114,957	1,114,957
Balance at 31 March 2019		1,000,000	5,127,790	6,127,790
Period ended 5 April 2020:				
Profit and total comprehensive income for the period		-	399,152	399,152
Dividends	10	-	(210,000)	(210,000)
Balance at 5 April 2020		1,000,000	5,316,942	6,316,942

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 5 APRIL 2020

1 Accounting policies

Company information

Brown & Tawse Steelstock Limited is a private company limited by shares incorporated in Scotland. The registered office is Fowler Road, West Pitkerro Industrial Estate, Broughty Ferry, Dundee, DD5 3YN.

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 pound.

The financial statements have been prepared under the historical cost convention. 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;

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Brown & Tawse Steelstock Limited is a wholly owned subsidiary of Steelstock UK Limited and the results of Brown & Tawse Steelstock Limited are included in the consolidated financial statements of Steelstock UK Limited which are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have considered their cash flow requirements to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Reporting period

The financial statements are for the period from 1 April 2019 to 5 April 2020. The directors of the company take advantage of the provisions of s.390 of the Companies Act 2006 regarding the seven day allowance, and prepare the financial statements up to the date of the first Sunday following the accounting reference date. Therefore, the financial period end date varies from period to period. The comparative accounts relate to the period from 2 April 2018 to 31 March 2019.

1.4 Turnover

Income from the sale of steel is recognised at the date of invoice net of VAT and trade discount, which usually coincides with the date of the despatch of the goods.

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

1 Accounting policies

1.5 Tangible fixed assets

Tangible fixed assets are measured at cost, 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 basis:

Leasehold improvements	Remaining life of the lease
Plant and machinery	10% - 20% on cost
Fixtures, fittings & equipment	20% - 33% on cost
Motor vehicles	17% - 25% on cost

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.

1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.7 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.

1.8 Stocks

Stock consists of steel, which is a traded commodity and is valued at fair value, less its cost to resell, with any year end adjustment to fair value reflected through the profit and loss account.

This is facilitated by stock being recorded at the average direct cost by product line, with a subsequent annual impairment review and adjustment to the lower of fair value and net realisable value at the the year end. This assessment is made by the directors based on their knowledge of the business and with reference to current steel prices.

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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand. Bank overdrafts are shown within borrowings in current liabilities.

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

1 Accounting policies

1.10 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 instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial assets

Basic financial assets, which include debtors, cash and bank balances and amounts owed from fellow group companies, are measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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. Trade creditors are recognised at transaction price.

1.11 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.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

1.13 Employee benefits

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

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

1 Accounting policies

1.14 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees and directors. Contributions payable are charged to the profit and loss account in the period they are payable.

1.15 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 balance sheet 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.

2 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 following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

The company's stock consists of steel, which is a traded commodity as detailed in note 1.7, and is valued at fair value less costs to sell. The directors have reviewed the year end stock fair value and consider that the adjustment that has been made to reflect the fair value at the year end is correct and that no further adjustment is deemed necessary.

Bad debt provision

The company makes provision for any balances which are overdue and may ultimately prove to be uncollectable. Additional specific provisions may also be made for any other debts if there are any indications that these amounts will not be received.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of steel	17,924,954	18,773,950

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

3 Turnover and other revenue

	2020 £	2019 £
Other significant revenue		
Dividends received	100,000	811,153

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	17,924,954	18,773,950

4 Operating profit

	2020 £	2019 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	35,250	37,173
Depreciation of owned tangible fixed assets	306,981	146,430
Depreciation of tangible fixed assets held under finance leases	92,325	233,732
Profit on disposal of tangible fixed assets	(4,333)	(13,204)
Operating lease charges	557,440	550,123

5 Employees

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

	2020 Number	2019 Number
Administration	6	7
Selling and distribution	79	75
Total	85	82

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,358,565	2,210,031
Social security costs	223,277	205,044
Pension costs	124,579	105,530
	2,706,421	2,520,605

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	238,736	234,930
Company pension contributions to defined contribution schemes	15,134	17,167
Compensation for loss of office	83,511	-
	<u>337,381</u>	<u>252,097</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

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

	2020 £	2019 £
Remuneration for qualifying services and compensation for loss of office	142,629	76,149
Company pension contributions to defined contribution schemes	<u>3,485</u>	<u>2,246</u>

7 Interest receivable and similar Income

	2020 £	2019 £
Income from fixed asset investments		
Income from shares in group undertakings	<u>100,000</u>	<u>811,153</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank loans	29,590	24,394
Interest on finance leases and hire purchase contracts	7,567	15,935
Other interest	-	923
	<u>37,157</u>	<u>41,252</u>

9 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	2,707	107,791
Adjustments in respect of prior periods	<u>(51,217)</u>	<u>-</u>
Total current tax	<u>(48,510)</u>	<u>107,791</u>

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

9 Taxation

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	350,642	1,222,748
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	66,622	232,322
Tax effect of expenses that are not deductible in determining taxable profit	356	(565)
Tax effect of income not taxable in determining taxable profit	(823)	(2,508)
Adjustments in respect of prior years	(51,217)	-
Permanent capital allowances in excess of depreciation	(44,284)	30,537
Dividend income	(19,000)	(154,119)
Other tax adjustments	(85)	-
Adjustments for pensions	(79)	2,124
Taxation (credit)/charge for the period	(48,510)	107,791

There is a potential unrecognised deferred tax liability of £220,256 (2019 - £126,671).

10 Dividends

	2020 £	2019 £
Final paid	210,000	-

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

11 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2019	18,892	4,442,756	45,724	1,225,081	5,732,453
Additions	-	164,171	-	335,517	499,688
Disposals	-	-	-	(98,587)	(98,587)
At 5 April 2020	18,892	4,606,927	45,724	1,462,011	6,133,554
Depreciation and impairment					
At 1 April 2019	-	3,159,458	45,724	860,922	4,066,104
Depreciation charged in the period	-	251,258	-	148,048	399,306
Eliminated in respect of disposals	-	-	-	(95,587)	(95,587)
At 5 April 2020	-	3,410,716	45,724	913,383	4,369,823
Carrying amount					
At 05 April 2020	18,892	1,196,211	-	548,628	1,763,731
At 31 March 2019	18,892	1,283,298	-	364,159	1,666,349

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and machinery	451,633	989,760
Motor vehicles	41,031	76,668
	<u>492,664</u>	<u>1,066,428</u>
Depreciation charge for the period in respect of leased assets	<u>92,325</u>	<u>233,732</u>

During the year a fellow group subsidiary financed assets on behalf of Brown & Tawse Steelstock Limited. The net book value of these assets were £4,000 (2019 - £20,867) and the depreciation charged was £16,867 (2019 - £21,800). The balance due at the end of the year is £nil (2019 - £12,506).

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

12 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	13	495,040	495,040

Fixed asset investments not carried at market value

Investments in subsidiaries are measured at cost, with consideration given to any impairment.

Movements in fixed asset investments

	Shares in group undertakings £
Cost	
At 1 April 2019 & 5 April 2020	495,040
Carrying amount	
At 5 April 2020	495,040
At 31 March 2019	495,040

13 Subsidiaries

Details of the company's subsidiaries at 5 April 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Brown & Wilson Steels Limited	1	Steel stockholder	Ordinary	80.00	-
Dutton Group Limited	2	Rental of commercial property	Ordinary	100.00	-
Harbour Engineering (Aberdeen) Limited	1	Dormant	Ordinary	100.00	-
Leah and Rowbotham Limited	2	Dormant	Ordinary	-	100.00
Lotus Steels Limited	3	Dormant	Ordinary	100.00	-
Premier Lasertube Limited	2	Holding company	Ordinary	80.00	-
Royton Steelstock Limited	2	Steel stock holder	Ordinary	-	100.00
Sheron Limited	2	Dormant	Ordinary	-	100.00
Redhall Engineering Services Limited	2	Steel fabricators	Ordinary	-	100.00

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

13 Subsidiaries

Registered Office addresses:

- 1 Fowler Road, West Pitkerro Industrial Estate, Broughty Ferry, Dundee, DD5 3RU
- 2 PO Box 2, The Mill House, Alton, Hampshire, GU34 2YA
- 3 Climpy Road, Forth, Lanark, ML11 8EW

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Brown & Wilson Steels Limited	87,854	2,221,559
Dutton Group Limited	59,511	585,031
Harbour Engineering (Aberdeen) Limited	-	21,849
Leah and Rowbotham Limited	-	10,900
Lotus Steels Limited	-	2
Premier Lasertube Limited	-	10
Royton Steelstock Limited	159,742	2,287,739
Sheron Limited	-	195,018
Redhall Engineering Services Limited	(78,084)	548,213

The figures for Brown & Wilson Steels Limited, Dutton Group Limited and Royton Steelstock Limited shown above all relate to the period ended 5 April 2020. All of the others are for the year ended 31 March 2020 and are the latest figures available.

The company also had an investment in Two Saints Property Company Limited, the balance of which has been fully provided for. The final notice of dissolution was filed with Companies House on 11 July 2019.

14 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	<u>3,783,253</u>	<u>4,977,409</u>

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	3,827,584	3,768,849
Amounts owed by group undertakings	-	400,766
Other debtors	3,000	2,950
Prepayments and accrued income	197,242	190,783
	<u>4,027,826</u>	<u>4,363,348</u>
Amounts falling due after more than one year:		
	2020	2019
	£	£
Amounts owed by group undertakings	2,763,509	2,692,563
Other debtors	1,457,178	1,455,066
	<u>4,220,687</u>	<u>4,147,629</u>
Total debtors	<u>8,248,513</u>	<u>8,510,977</u>

Please refer to note 25 for further information on the group intercompany balances.

16 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans	18	1,964,030	2,303,039
Obligations under finance leases	19	105,513	201,481
Trade creditors		2,100,166	3,781,168
Corporation tax		1,239	108,921
Other taxation and social security		682,694	290,045
Other creditors		124,943	166,360
Accruals and deferred income		628,604	523,367
		<u>5,607,189</u>	<u>7,374,381</u>

Bank loans include £1,356,492 (2019 - £1,867,497) advanced against trade debtors. The advance is secured by a fixed and floating charge over the assets of the company.

The finance lease or hire purchase liability is secured against the assets concerned.

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

17 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	19	19,757	125,713
Amounts owed to group undertakings		2,346,649	2,021,891
		<u>2,366,406</u>	<u>2,147,604</u>

The finance lease or hire purchase liability is secured against the assets concerned.

18 Loans

	2020 £	2019 £
Bank loans	<u>1,964,030</u>	<u>2,303,039</u>
Payable within one year	<u>1,964,030</u>	<u>2,303,039</u>

19 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	106,664	209,490
In two to five years	20,238	126,902
	<u>126,902</u>	<u>336,392</u>
Less: future finance charges	(1,632)	(9,198)
	<u>125,270</u>	<u>327,194</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery and motor vehicles. 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 five years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>124,579</u>	<u>105,530</u>

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

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

21 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid 1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

22 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:

	2020 £	2019 £
Within one year	242,500	260,000
Between two and five years	1,040,000	1,040,000
In over five years	450,000	710,000
	<u>1,732,500</u>	<u>2,010,000</u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	<u>212,000</u>	<u>-</u>

24 Events after the reporting date

The directors' view on the impact of COVID-19 is disclosed in the directors' report and in the going concern accounting policy.

On 1 September 2020, the company entered into a share purchase agreement for the acquisition of 100% of the share capital of a company. The consideration includes an initial purchase price and deferred consideration.

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

25 Related party transactions

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies on the grounds that it is a wholly owned subsidiary of Steelstock UK Limited.

Included within trade debtors is an amount of £1,529 (2019 - £400,766) owed from a fellow subsidiary. The movement during the year relates to sales amounting to £739,007 (2019 - £738,914) and amounts paid of £1,138,244 (2019 - £1,134,076).

Included in debtors due after more than one year is an amount of £1,158,068 (2019 - £1,037,900) due from a fellow subsidiary. The movement during the period relates to net stock transfers to the fellow subsidiary from the company of £1,735,315 (2019 - £1,355,687), expenses recharged of £1,064,853 (2019 - £1,141,254) and other advances and repayments of £2,680,000 (2019 - £2,928,000).

Included in debtors due after more than one year is an amount of £522,931 (2019 - £522,931) due from a fellow subsidiary. The movement during the period relates to amounts advanced to the company of £nil (2019 - £1,322,931) and amounts repaid of £nil (2019 - £800,000).

Included in debtors due after more than one year is an amount of £1,457,178 (2019 - £1,455,066) due from an entity under common control. The movement during the period relates to amounts advanced to the company of £296,112 (2019 - £1,278,910) and amounts repaid of £294,000 (2019 - £569,309).

During the year rental expenses of £100,000 (2019 - £100,000) were incurred from a retirement benefit scheme, of which one of the trustees is a director. At the period end no amounts were due from the company (2019 - £nil).

Included within trade creditors is an amount of £7,306 (2019 - £1,610) owed to a fellow subsidiary. The movement during the year relates to purchases amounting to £39,546 (2019 - £3,662) and amounts repaid of £33,850 (2019 - £2,466).

Included in creditors due in less than one year is an amount owed to a director of £106 (2019 - £18,256). The movement during the period represents amounts advanced to the company of £17,125 (2019 - £104,632) and amounts withdrawn from the company of £35,275 (2019 - £97,992).

Included within creditors due after one year is an amount of £190,639 (2019 - £nil) owed to a fellow subsidiary. The movement during the year relates to amounts advanced to the company of £432,000 (2019 - £nil) and expenses paid on behalf of the company of £241,361 (2019 - £nil).

BROWN & TAWSE STEELSTOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 5 APRIL 2020

26 Controlling party

At the period end, the ultimate parent company, which is also the parent for the largest and smallest group of undertakings for which the group financial statements are drawn up for and of which the company is a member, is Steelstock UK Limited, a company whose registered office is The Mill House, Anstey Mill Lane, Alton, Hampshire, GU34 2YA.

The ultimate controlling party is I Harding, by virtue of his majority shareholding in that company.

Copies of the consolidated financial statements of Steelstock UK Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.