

Dyfed Steels Limited

Annual report for the year ended 31 January 2013

Registered Number: 1287461

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Dyfed Steels Limited

Annual report for the year ended 31 January 2013

	Pages
Directors and advisers	1
Directors' report	2
Independent auditors' report to the members of Dyfed Steels Limited	5
Consolidated profit and loss account	6
Statement of total recognised gains and losses	6
Note of group historical cost profits and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the financial statements	9

Dyfed Steels Limited

1

Directors and advisers

Directors

D W Thomas
S Jones

Secretary and registered office

A J Morgan
Tube Works
Maescanner Road
Dafen
Llanelli
SA14 8NS

Auditors

PricewaterhouseCoopers LLP
Llys Tawe
Kings Road
SA1 Swansea Waterfront
Swansea
SA1 8PG

Bankers

HSBC Bank plc
97 Bute Street
Cardiff
CF10 5NA

Directors' report for the year ended 31 January 2013

The directors present their report and the audited financial statements for the year ended 31 January 2013.

Business review and principal activities

The principal activity of the group is that of metal stockholders

The results of the group for the year ended 31 January 2013 (FY13) show a pre-tax loss of £1,085,000 (2012: Profit £146,000) and sales of £62,046,000 (2012: £64,015,000).

Whilst overall sales decreased by £1,969,000 (3%) relative to FY12, this was reflected in the lowering price of steel resulting in a decrease in material costs of £1,757,000 (4%), leading to a dilution in the gross margin of £212,000

Even with an increase in tonnage sold in 2013 89,000 (FY12 : 86,000), the deterioration in gross profitability coupled with increases in the underlying cost base, notably a rise in distribution and staff costs, and rent and rates for additional sales sites resulted in an operating loss of £925,000 (2012 profit £480,000)

In the forthcoming year the directors' perceive that the market in which they operate will remain competitive as a result of the economic environment, however, the directors' consider the group to be well placed to achieve growth in sales and profits

Principal risks and uncertainties

The management of the business and execution of strategy are subject to a number of risks. Key business risks principally relate to market competition, both from a national and international perspective and the retention of suitably qualified employees. Business risks are reviewed regularly by the directors and appropriate processes are put in place to monitor and mitigate their impact.

Key performance indicators (KPIs)

Given the straightforward nature of the business the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs

Price risk

The company is exposed to commodity price risk as a result of its operations. The directors monitor market movements in material price on a regular basis, but do not consider it cost beneficial to undertake any formal hedging arrangements. The company has no exposure to equity securities price risk as it holds no listed or other equity investments

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made

Directors' report for the year ended 31 January 2013 (continued)

Principal risks and uncertainties (continued)

Liquidity risk

The company actively maintains short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions

Dividends and transfers to reserves

No dividends were paid or proposed in respect of the year. The retained profit for the financial year is to be transferred to reserves.

Directors

The directors of the company at 31 January 2013 and for the whole of the year then ended, unless otherwise indicated, are listed on page 1

Employees

The company's policy is to consult and discuss with employees, through employee meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins, reports and team briefings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance

The company's policy is to recruit disabled workers for those vacancies which they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate for their aptitude and abilities

Health and safety, environmental and social responsibility

The group has detailed health and safety guidelines which are communicated to all employees, and which are regularly reviewed for suitability in the context of the group's activities

Charitable and political donations

The group did not make any monetary charitable or political donations during the year

Going concern

The directors have concluded, having regard to the most recent projections available that the Group and Company will have in place sufficient funding to enable them to continue trading and meet their liabilities to third parties as they fall due for the foreseeable future

**Directors' report
for the year ended 31 January 2013 (continued)**

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). The financial statements are required by law to 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,
- 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 proper accounting records that 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 of information to auditors

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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



**R. W. Thomas
Director**

Independent auditors' report to the members of Dyfed Steels Limited 5

We have audited the group and parent company financial statements (the "financial statements") of Dyfed Steels Limited for the year ended 31 January 2013 which comprise the Consolidated Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Group Historical Cost Profits and losses, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2013 and of the group's loss and cash flows 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Ian Clarke

Ian Clarke (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Swansea,

19 July 2013

Dyfed Steels Limited

Registered no: 1287461

Consolidated profit and loss account for the year ended 31 January 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	62,046	64,015
Cost of sales		(47,154)	(48,911)
Gross profit		14,892	15,104
Net operating expenses	3	(15,817)	(14,624)
Operating (loss)/profit	4	(925)	480
Interest payable and similar charges	6	(160)	(334)
(Loss)/profit on ordinary activities before taxation		(1,085)	146
Tax on profit on ordinary activities	7	204	(53)
(Loss)/profit for the financial year	20	(881)	93

All operations are continuing

Statement of total recognised gains and losses for the year ended 31 January 2013

	2013 £'000	2012 £'000
(Loss) / profit for the year	(881)	93
Deficit on revaluation of properties	(10)	-
	(891)	93

Note of group historical cost profits and losses for the year ended 31 January 2013

	2013 £'000	2012 £'000
Reported (loss)/profit on ordinary activities before taxation	(1,085)	146
Difference between historical cost depreciation charge and actual charge	31	10
Historical cost (loss)/profit on ordinary activities before taxation	(1,054)	156
Historical cost (loss)/profit for the year retained after taxation	(871)	103

Dyfed Steels Limited

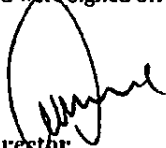
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Registered no: 1287461

Balance sheets As at 31 January 2013

	Notes	Group		Company	
		2013	2012	2013	2012
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	304	350	314	362
Tangible assets	10	8,325	8,426	8,325	8,426
Investments	11	-	-	-	-
		8,629	8,776	8,639	8,788
Current assets					
Stocks	12	15,966	16,448	15,966	16,448
Debtors	13	13,496	14,325	13,496	14,325
Cash at bank and in hand		5	140	5	140
		29,467	30,913	29,467	30,913
Creditors: amounts falling due within one year	14	(24,721)	(24,821)	(24,721)	(24,821)
Net current assets		4,746	6,092	4,746	6,092
Total assets less current liabilities		13,375	14,868	13,385	14,880
Creditors: amounts falling due after more than one year	15	(1,927)	(2,364)	(1,927)	(2,364)
Provisions for liabilities and charges	18	(122)	(287)	(122)	(287)
Net assets		11,326	12,217	11,336	12,229
Capital and reserves					
Called up share capital	19	45	45	45	45
Revaluation reserve	20	2,591	2,601	2,241	2,251
Profit and loss account	20	8,690	9,571	9,050	9,933
Total shareholders' funds	21	11,326	12,217	11,336	12,229

The financial statements on pages 6 to 19 were approved by the board of directors on 19/7/13 and were signed on its behalf by:


Director

D.W. THOMAS

Dyfed Steels Limited

Registered no: 1287461

Consolidated cash flow statement for the year ended 31 January 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow / (outflow) from operating activities	24	911	1,298
Returns on investments and servicing of finance			
Interest paid on bank loans and overdrafts		(76)	(258)
Interest element of finance lease payments		(84)	(76)
Net cash outflow from returns on investments and servicing of finance		(160)	(334)
Taxation			
UK corporation tax paid		(39)	(483)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(370)	(579)
Proceeds from the sale of fixed assets		44	21
Net cash outflow for capital expenditure and financial investment		(326)	(558)
Net cash outflow before financing		386	(77)
Financing			
(Decrease) / Increase in borrowings (invoice discounting)		(54)	985
Repayment of bank loans		(273)	(284)
Capital element of finance leases payments		(505)	(525)
Net cash inflow from financing		(832)	176
(Decrease) / Increase in cash	25	(446)	99

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of land and buildings.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 January 2013. Intra-group sales, profits and balances are eliminated fully on consolidation.

Turnover

Turnover, which excludes value added tax, represents the value of goods and services arising from the principal activity of the group and supplied during the financial year. The company and the group recognise amounts as turnover on despatch of the goods to its customers.

Intangible assets

Goodwill arising on acquisition represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill arising on acquisition is eliminated by amortisation through the profit and loss account over its useful economic life, which the directors estimate to be 10 years.

Tangible fixed assets

Land and buildings are stated at valuation. Other tangible fixed assets are stated at their purchase price together with any incidental costs of acquisition less accumulated depreciation. Rates of depreciation are set out below.

	%	
Freehold buildings	2	(straight line)
Plant and machinery	10	(straight line)
Fixtures and fittings	20- 33	(straight line)
Motor vehicles	12.5	(straight line)

The cost of the leasehold property is being depreciated over the period of the lease.

Freehold land is not depreciated.

Investments

Investments are stated at cost less, where appropriate, any provision for impairment.

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be realised in the normal course of business, after allowing for the cost of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group and company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in tangible fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profits in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Grants

Revenue grants are written off to the profit and loss account in the year in which the relevant expenditure is incurred. Capital grants are capitalised and released to the profit and loss account over the useful economic life of the asset to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension scheme arrangements

The group operates defined contribution pension schemes for employees. The assets of the scheme are held separately from those of the company. Pension costs are accounted for on the basis of charging the contributions incurred each year against profits for the financial year.

Foreign currency

Foreign currency transactions are recorded in sterling at the exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to sterling at rates of exchange prevailing at the balance sheet date. Exchange gains or losses are included in the determination of operating profit.

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

2 Turnover

The turnover of the group is wholly attributable to the principal activity of the group. All turnover was generated in the United Kingdom

3 Net operating expenses

	2013 £'000	2012 £'000
Administrative expenses	15,817	14,624

4 Operating (loss) / profit

Operating (loss) / profit is stated after charging:

	2013 £'000	2012 £'000
Amortisation of goodwill	46	55
Depreciation charge on tangible owned fixed assets	517	453
Depreciation charge on tangible fixed assets held under finance leases	345	331
(Profit)/loss on disposal of tangible fixed assets	(9)	19
Operating lease charges – land and buildings	362	170
Operating lease charges – other	198	146
Services provided by the Company's auditor:		
Fees payable to company auditors for the audit of parent company and consolidated financial statements	34	34
Fees payable to the company's auditors for other services:		
The audit of the company's subsidiaries	1	1
Tax services	4	4

5 Directors and employees

	2013 £'000	2012 £'000
Staff costs:		
Wages and salaries	7,068	6,704
Social security costs	708	657
Pension costs (see note 17)	57	65
	7,833	7,426

	Number	Number
Average weekly numbers employed including directors:		
Production and distribution	202	216
Sales and administration	83	67
	285	283

	2013 £'000	2012 £'000
Directors' emoluments		
Aggregate emoluments	174	176

One director (2012: one) is accruing benefits under the pension schemes operated by the group.

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

6 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest on bank overdrafts and other loans	76	258
Interest element of finance lease payments	84	76
	160	334

7 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
UK corporation tax on (loss) / profits for the year	(39)	39
Adjustments in respect of prior years	-	-
	(39)	39
Deferred tax		
(Credit) / charge for the year	(165)	14
Tax on profit on ordinary activities	(204)	53

The effective current rate for the period is lower than the standard corporation tax rate applying in the UK of 24.33% (2012: 26%). The differences are explained below.

	2013 £'000	2012 £'000
(Loss)/profit on ordinary activities before tax	(1,085)	146
(Loss)/profit on ordinary activities multiplied by the rate of 24.33% (2012: 26%) in the UK	(264)	38
Effects of		
Expenses not deductible for tax purposes	66	63
Accelerated capital allowances and other timing differences	31	(53)
Losses not utilised	128	-
Tax at marginal rates	-	(9)
Current tax charge for the year	(39)	39

8 (Loss)/Profit for the financial year

Of the group loss for the year, £883,000 (2012 profit £146,000) arose in the parent company

As permitted by Section 408 of the Companies Act 2006 the parent company's profit and loss account has not been included in these financial statements

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

9 Intangible assets

Group	Goodwill £'000
Cost	
At 1 February 2012	598
At 1 February and 31 January 2013	598
Accumulated Amortisation	
At 1 February 2012	248
Charge for the year	46
At 31 January 2013	294
Net book value	
At 31 January 2013	304
At 31 January 2012	350
Company	Goodwill £'000
Cost	
At 1 February 2012	477
Additions	-
At 31 January 2013	477
Accumulated Amortisation	
At 1 February 2012	115
Charge for the year	48
At 31 January 2013	163
Net book value	
At 31 January 2013	314
At 31 January 2012	362

10 Tangible fixed assets

Group and company	Freehold property	Assets under construction	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 February 2012	4,959	-	4,148	435	2,762	12,304
Additions	14	159	432	61	141	807
Disposals	-	-	(39)	(54)	(34)	(127)
Revaluation	(277)	-	-	-	-	(277)
At 31 January 2013	4,696	159	4,541	442	2,869	12,707
Depreciation						
At 1 February 2012	377	-	1,812	401	1,288	3,878
Charge for the year	92	-	425	25	320	862
Eliminated on disposals	-	-	(17)	(53)	(21)	(91)
Revaluation	(267)	-	-	-	-	(267)
At 31 January 2013	202	-	2,220	373	1,587	4,382
Net book amount						
At 31 January 2013	4,494	159	2,321	69	1,282	8,325
At 31 January 2012	4,582	-	2,336	34	1,474	8,426

The net book amount of tangible fixed assets owned by the group includes an amount of £2,018,000 in respect of assets held under finance leases and hire purchase contracts. The depreciation charged in respect of such assets amounted to £345,000.

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

10 Tangible fixed assets (continued)

The principal freehold properties occupied by the group were valued by Rowland Jones, external valuers and chartered surveyors, on the basis of market value, in accordance with the Appraisal Manual of The Royal Institution of Chartered Surveyors, in June 2013

If freehold properties had not been re-valued they would be included at the following amounts:

	2013 £'000	2012 £'000
Cost	3,041	3,041
Depreciation	(996)	(935)
Carrying value	2,045	2,106

11 Investments

Group	Other investments £'000
Cost	
At 1 February 2012 and 31 January 2013	30
Amounts written off	
At 1 February 2012 and 31 January 2013	30
Net book value	
At 1 February 2012 and 31 January 2013	-

Company	Group companies £'000	Other investments £'000	Total £'000
Cost			
At 1 February 2012 and 31 January 2013	234	30	264
Amounts written off			
At 1 February 2012 and 31 January 2013	234	30	264
Net book value			
At 1 February 2012 and 31 January 2013	-	-	-

Group subsidiary companies comprise the following:

Company	Nature of business	Country of incorporation	Proportion of voting rights held	Holding
D S Southern Limited	Steel stockholders	England	100%	Ordinary shares
Ex Stock Steel Limited	Steel stockholders	England	100%	Ordinary shares
Excel Stock Steel Limited	Steel stockholders	England	100%	Ordinary shares
Dyfed Steel Midlands Limited	Steel stockholders	England	100%	Ordinary shares
Dyfed Steel Southwest Limited	Steel stockholders	England	100%	Ordinary shares

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

12 Stocks

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Raw materials	15,966	16,448	15,966	16,448

13 Debtors

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Amounts falling due within one year				
Trade debtors	13,210	13,958	13,210	13,958
Prepayments and accrued income	256	367	256	367
Corporation tax asset	30	-	30	-
	13,496	14,325	13,496	14,325

14 Creditors: amounts falling due within one year

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank loans and overdraft (see (a) below)	1,131	820	1,131	820
Trade creditors	12,433	12,511	12,433	12,511
Corporation tax	-	48	-	48
Other taxation and social security	1,034	918	1,034	918
Accruals and deferred income	333	750	333	750
Other creditors (see (b) below)	9,215	9,269	9,215	9,269
Amounts due under finance leases and hire purchase agreements	575	505	575	505
	24,721	24,821	24,721	24,821

(a) The bank loans and overdraft are secured by a fixed and floating charge against the assets of the group

(b) The group has entered into a contract that provides invoice discounting facilities in respect of its trade debts. An amount of £9,215,000 (2012: £9,269,000) is included in other creditors. The invoice discounting company holds a floating charge over the trade debtors of the group.

15 Creditors: amounts falling due after more than one year

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Bank loans (see 14 (a) above)	1,376	1,649	1,376	1,649
Accruals and deferred income	69	95	69	95
Amounts due under finance leases and hire purchase agreements	482	620	482	620
	1,927	2,364	1,927	2,364

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

16 Borrowings

The bank loan is repayable in instalments as shown below:

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year	304	304	304	304
Between one and two years	304	304	304	304
Between two and five years	911	912	911	912
More than five years	161	433	161	433
	1,680	1,953	1,680	1,953

Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows:

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Amounts repayable within one year	575	505	575	505
Amounts repayable between one to two years	400	326	400	326
Amounts repayable between three and five years	82	294	82	294
	1,057	1,125	1,057	1,125

17 Pensions

The group operates defined contribution pension schemes for directors and senior employees, the assets of which are separately administered from the company and the group. The pension costs, which represent contributions payable by the group, amounted to £57,000 (2012 £65,000).

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

18 Provisions for liabilities and charges

Deferred taxation

The movements in the deferred tax provision can be analysed as follows:

	Group £'000	Company £'000
At 1 February 2012	287	287
Credit to the profit and loss account	(165)	(165)
At 31 January 2013	122	122

Deferred taxation provided in the financial statements is as follows

Group	Amount provided		Amount un provided	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Tax effect of timing differences due to:				
Accelerated capital allowances	238	290	-	-
Other timing differences	(2)	(3)	-	-
Losses	(114)	-	-	-
Capital gains and revaluations	-	-	145	158
	122	287	145	158

Company	Amount provided		Amount un provided	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Tax effect of timing differences due to:				
Accelerated capital allowances	238	290	-	-
Other timing differences	(2)	(3)	-	-
Capital gains and revaluations	(114)	-	145	158
	122	287	145	158

Revaluations of freehold property assets have resulted in a potential deferred tax liability of £145,000 (2012 £158,000) which has not been provided for on the basis that the group has not entered into any binding agreements to sell the revalued assets.

19 Called-up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid		
45,000 ordinary shares of £1 each	45	45

20 Reserves

	Group revaluation reserve £'000	Company revaluation reserve £'000	Group profit and loss account £'000	Company profit and loss account £'000
At 1 February 2012	2,601	2,251	9,571	9,933
Retained loss for the financial year	-	-	(881)	(883)
Deficit on revaluation of properties	(10)	(10)	-	-
At 31 January 2013	2,591	2,241	8,690	9,050

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

21 Reconciliation of movements in shareholder's funds

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
(Loss)/Profit for the financial year	(881)	93	(883)	100
Deficit on revaluation of freehold property	(10)	-	(10)	-
Opening shareholders' funds	12,217	12,124	12,229	12,129
Closing shareholders' funds	11,326	12,217	11,336	12,229

22 Capital commitments

The amount of capital expenditure contracted for but not provided for amounted to £29,000 (2012: £43,000)

23 Financial commitments

At 31 January 2013 the group and company had annual commitments under non-cancellable operating leases as follows.

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Other				
Expiring within one year	43	58	43	58
Expiring within one to two years	67	40	67	40
Expiring between two to five years	64	30	64	30
	174	128	174	128
Land and buildings				
Expiring within one year	-	48	-	48
Expiring within one to two years	-	-	-	-
Expiring between two and five years	-	-	-	-
Expiring in over five years	54	54	54	54
	54	102	54	102

24 Reconciliation of operating profit to net cash inflow from operating activities

	2013 £'000	2012 £'000
Operating (loss)/profit	(925)	480
(Profit) / loss on disposal of tangible fixed assets	(9)	19
Amortisation of goodwill	46	55
Depreciation of tangible fixed assets	862	784
Decrease/(increase) in stocks	482	(134)
Decrease/(increase) in debtors	859	(751)
(Decrease)/increase in creditors	(404)	845
Net cash inflow from operating activities	911	1,298

Dyfed Steels Limited

Notes to the financial statements for the year ended 31 January 2013 (continued)

25 Reconciliation of movement in net debt

	2013 £'000	2012 £'000
(Decrease) / increase in cash in the year	(446)	99
Movement in borrowings	832	(176)
Non-cash changes	(437)	(285)
Movement in net debt during the year	(51)	(362)
Net debt at 1 February	(12,723)	(12,361)
Net debt at 31 January	(12,774)	(12,723)

26 Movement in net debt

	At 31 January 2012 £'000	Cash flow £'000	Non-cash changes £'000	At 31 January 2013 £'000
Cash				
Cash at bank and in hand	140	(135)	-	5
Bank overdraft	(516)	(311)	-	(827)
	(376)	(446)	-	(822)
Debt				
Debt due within one year (bank and other loans)	(304)	-	-	(304)
Debt due after one year (bank loan)	(1,649)	273	-	(1,376)
Invoice discounting liability	(9,269)	54	-	(9,215)
Hire purchase and finance leases	(1,125)	505	(437)	(1,057)
	(12,347)	832	(437)	(11,952)
Net debt	(12,723)	386	(437)	(12,774)

27 Related party transactions

The company is exempt under FRS 8 from disclosing related party transactions with its wholly owned subsidiary companies and has taken advantage of this exemption.

28 Ultimate controlling party

The directors regard D W Thomas as the ultimate controlling party by virtue of his 100% interest in the equity share capital of Dyfed Steels Limited