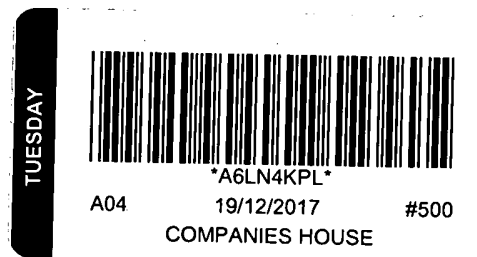


Company Registration No. 06856483 (England and Wales)

**ALLERTON STEEL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**  
**PAGES FOR FILING WITH REGISTRAR**



# ALLERTON STEEL LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Mr J Gatenby
<b>Secretary</b>	Mr G Penn
<b>Company number</b>	06856483
<b>Registered office</b>	20 Leases Road Leeming Bar Northallerton North Yorkshire DL7 9AW
<b>Auditor</b>	Prime Auditing Limited 2 Defender Court Sunderland Enterprise Park Sunderland Tyne & Wear SR5 3PE

# ALLERTON STEEL LIMITED

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# ALLERTON STEEL LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	5		385,151		494,609
<b>Current assets</b>					
Stocks		397,190		529,897	
Debtors	6	4,133,411		2,892,652	
Cash at bank and in hand		381,279		634,434	
		<u>4,911,880</u>		<u>4,056,983</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,111,442)</u>		<u>(2,179,369)</u>	
<b>Net current assets</b>			1,800,438		1,877,614
<b>Total assets less current liabilities</b>			<u>2,185,589</u>		<u>2,372,223</u>
<b>Provisions for liabilities</b>			(17,349)		(29,544)
<b>Net assets</b>			<u><u>2,168,240</u></u>		<u><u>2,342,679</u></u>
<b>Capital and reserves</b>					
Called up share capital	8	400,000		400,000	
Profit and loss reserves		1,768,240		1,942,679	
<b>Total equity</b>		<u><u>2,168,240</u></u>		<u><u>2,342,679</u></u>	

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 22/11/2017



Mr J Gatenby  
Director

Company Registration No. 06856483

# ALLERTON STEEL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015	400,000	1,787,932	2,187,932
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	154,747	154,747
Balance at 31 March 2016	400,000	1,942,679	2,342,679
Year ended 31 March 2017:			
Loss and total comprehensive income for the year	-	(174,439)	(174,439)
Balance at 31 March 2017	400,000	1,768,240	2,168,240

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# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### Company information

Allerton Steel Limited is a private company limited by shares incorporated in England and Wales. The registered office is 20 Leases Road, Leeming Bar, Northallerton, North Yorkshire, DL7 9AW.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

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

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

Revenue from bridge contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs.

#### 1.3 Tangible fixed assets

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

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

Leasehold improvements	10% on cost
Plant and machinery	12.5% - 33.3% on cost
Fixtures, fittings & equipment	25% - 33.3% on cost
Motor vehicles	25% - 33.3% 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.

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.4 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Stocks

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

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

#### 1.6 Cash at bank and in hand

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

#### 1.7 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

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

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

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

### 1.8 Equity instruments

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

### 1.9 Taxation

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

#### **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.

#### **Deferred tax**

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



# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.10 Employee benefits

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

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

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

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 124 (2016 - 132).

	2017 Number	2016 Number
Total	18	19
Production	106	113
	<u>124</u>	<u>132</u>

### 3 Director's remuneration

	2017 £	2016 £
Remuneration paid to directors	<u>2,779</u>	<u>-</u>

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	6,254
<b>Amortisation and impairment</b>	
At 1 April 2016 and 31 March 2017	6,254
<b>Carrying amount</b>	
At 31 March 2017	-
At 31 March 2016	-

### 5 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 April 2016	156,175	1,321,437	1,477,612
Additions	-	36,967	36,967
Disposals	-	(14,372)	(14,372)
At 31 March 2017	156,175	1,344,032	1,500,207
<b>Depreciation and impairment</b>			
At 1 April 2016	51,926	931,077	983,003
Depreciation charged in the year	14,796	128,185	142,981
Eliminated in respect of disposals	-	(10,928)	(10,928)
At 31 March 2017	66,722	1,048,334	1,115,056
<b>Carrying amount</b>			
At 31 March 2017	89,453	295,698	385,151
At 31 March 2016	104,249	390,360	494,609

### 6 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,547,122	1,394,803
Corporation tax recoverable	17,000	-
Other debtors	1,569,289	1,497,849
	4,133,411	2,892,652

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,076,026	383,022
Corporation tax	-	17,100
Other taxation and social security	447,430	239,743
Other creditors	1,587,986	1,539,504
	<u>3,111,442</u>	<u>2,179,369</u>

The company has a £250,000 agreed overdraft facility granted by Barclays Bank Plc secured primarily under a cross guarantee and debenture by Allerton Steel (Property) Limited.

All monies due or to become due to the Trustees of the John Gatenby Sub-Trust are secured by a debenture dated 1st July 2009, incorporating a fixed and floating charge over all current and future property and assets of the company. The balance outstanding at the year end was £901,000 (2016 : £901,000).

All monies due or to become due to Barclays Bank Plc are secured by a guarantee and debenture dated 16th July 2009, incorporating a fixed and floating charge over all current and future property and assets of the company.

#### 8 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
400,000 Ordinary shares of £1 each	400,000	400,000
	<u>400,000</u>	<u>400,000</u>

The company has one class of ordinary shares which carry no right to fixed income.

#### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ralph Thoburn BA FCA.

The auditor was Prime Auditing Limited.

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 10 Operating lease commitments

#### Lessee

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

2017	2016
£	£
53,598	107,700
<u>53,598</u>	<u>107,700</u>

### 11 Events after the reporting date

On 15th December 2017 the company was party to an Assignment of Loan Agreement whereby £1,300,000 of amounts owed by entities controlled by key management personnel and £901,000 of amounts owed to entities with control, joint control or significant influence over the company were assigned to a related party. The balance of £399,000 was added to amounts owed by entities controlled by key management personnel. This represents a reduction in other debtors and other creditors of £901,000. There was no effect on net assets.

### 12 Related party transactions

#### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Entities controlled by key management personnel	26,717	-	6,251	4,715
	<u>26,717</u>	<u>-</u>	<u>6,251</u>	<u>4,715</u>
	Management charges		Rent	
	2017	2016	2017	2016
	£	£	£	£
Entities controlled by key management personnel	200,000	150,001	165,000	165,000
	<u>200,000</u>	<u>150,001</u>	<u>165,000</u>	<u>165,000</u>

# ALLERTON STEEL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 12 Related party transactions

(Continued)

#### Recharge of costs

During the year, the company recharged costs incurred on behalf of entities controlled by key management personnel totalling £27,972 (2016 : £28,806). The amounts recharged were at the original cost. Amounts owed to the company by these entities are included in the notes below.

#### Loans to related parties

During the year, the company advanced loans to entities controlled by key management personnel totalling £Nil (2016 : £300,000). Amounts owed to the company by these entities are included in the notes below.

During the year, the company was advanced loans by entities controlled by key management personnel totalling £Nil (2016 : £100,000). Amounts owed by the company to these entities are included in the notes below.

All loans to and from related parties are repayable on demand and are interest free.

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
<b>Amounts owed to related parties</b>		
Entities with control, joint control or significant influence over the company	901,000	901,000
Entities controlled by key management personnel	60,103	-

The following amounts were outstanding at the reporting end date:

	2017 Balance £
<b>Amounts owed by related parties</b>	
Entities controlled by key management personnel	1,355,028
	2016 Balance £
<b>Amounts owed in previous period</b>	
Entities controlled by key management personnel	1,437,056

The company is party to a banking arrangement under which it has provided an unlimited cross guarantee in respect of the bank borrowings of Allerton Steel (Property) Limited. The indebtedness of Allerton Steel (Property) Limited at the year end was £492,995 (2016: £551,932).