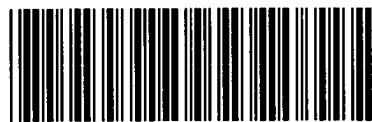


Company Registration No. 02553464 (England and Wales)

SEBDEN STEEL SERVICE CENTRES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2019

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COMPANIES HOUSE

SEBDEN STEEL SERVICE CENTRES LIMITED

COMPANY INFORMATION

Directors R E Hill
B J Sanders
M P Whitby
A D.T Smith
C Hodson
M McCausland
S Hill

Company number 02553464

Registered office Craven House
Craven Road
Broadheath
Altrincham
Cheshire
WA14 5HE

Auditor RSM UK Audit LLP
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire
PR2 5PE

Business address Craven House
Craven Road
Broadheath
Altrincham
Cheshire
WA14 5HE

Bankers HSBC
4 Hardman Square
Spinningfields
Manchester
M3 3EB

SEBDEN STEEL SERVICE CENTRES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report and financial statements for the year ended 30 April 2019.

Fair review of the business

The directors are satisfied with the result for the period and anticipate the present level of activity will be sustained over the next twelve months.

Position at the end of the period

The balance sheet at the end of the period shows that the company's net assets have increased by £0.1m to £26.1m.

Principal risks and uncertainties

The Directors do not feel that there are any strategic risks other than expected trading risks. The risks around financial management are considered in the Directors' Report.

The Directors have considered the risks and uncertainties associated with Britain's withdrawal from the EU. The company has prepared as much as possible for any impact to the business and will take the appropriate steps to minimise disruption to the company.

Development and performance

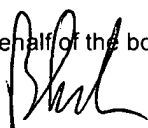
The profit on the ordinary activities of the company before taxation amounted to £1,816,000 (2018: £4,476,000). After tax, the profit of £1,494,000 (2018: £3,721,000) has been transferred to reserves. The Directors continue to be pleased with the performance of the business in a tough economic climate and expect the business to continue to perform well in the future.

Key performance indicators

The company's key performance indicators are financial in nature and during the period were as follows:

	2019	2018
Turnover	£169.9m	£157.5m
Gross Profit	£9.2m	£11.58m
Gross profit %	5.41%	7.35%
Profit before tax and amortisation	£1.8m	£4.50m
Stock	£29.3m	£26.2m
Net asset position	£26.06m	£26.02m

On behalf of the board



.....
B J Sanders
Director

Date: 3-1-20

SEBDEN STEEL SERVICE CENTRES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

The principal activity of the company continued to be those of steel service centres and processors.

Directors

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

R E Hill
B J Sanders
M P Whitby
A D T Smith
C Hodson
M McCausland
S Hill

Results and dividends

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

Particulars of dividends paid are detailed in note 9 to the financial statements. The directors do not recommend a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits, and where necessary to fund expansion or capital expenditure programmes, through bank borrowings.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

The company uses forward contracts to mitigate its exchange rate risk.

Where appropriate, funds are invested in short term variable rate accounts and borrowings are all obtained from standard bank loan accounts and as such there is little price risk exposure. The directors believe that this gives them the flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks.

SEBDEN STEEL SERVICE CENTRES LIMITED

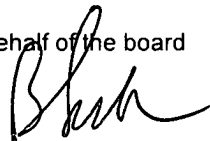
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

On behalf of the board



.....
B J Sanders
Director

Date: 3-1-20

SEBDEN STEEL SERVICE CENTRES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

The directors are responsible for preparing the Strategic Report and Strategic Report, Directors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEBDEN STEEL SERVICE CENTRES LIMITED

Opinion

We have audited the financial statements of Sebden Steel Service Centres Limited (the 'company') for the year ended 30 April 2019 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 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEBDEN STEEL SERVICE CENTRES LIMITED (CONTINUED)

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 set out on page 4, 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.

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.



Karen Musgrave (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE

14/11/20

SEBDEN STEEL SERVICE CENTRES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £000	2018 £000
Turnover	3	169,870	157,497
Cost of sales		(160,665)	(145,918)
Gross profit		<u>9,205</u>	<u>11,579</u>
Administrative expenses		(6,964)	(6,803)
Operating profit	4	<u>2,241</u>	<u>4,776</u>
Interest payable and similar expenses	6	(425)	(300)
Profit before taxation		<u>1,816</u>	<u>4,476</u>
Tax on profit	8	(322)	(755)
Profit for the financial year		<u><u>1,494</u></u>	<u><u>3,721</u></u>

SEBDEN STEEL SERVICE CENTRES LIMITED**BALANCE SHEET****AS AT 30 APRIL 2019**

	Notes	2019 £000	2018 £000
Fixed assets			
Goodwill	10	159	185
Tangible assets	11	10,651	8,778
Investments	12	2,600	2,600
		<u>13,410</u>	<u>11,563</u>
Current assets			
Stocks	14	29,330	26,196
Debtors	15	57,730	53,872
Cash at bank and in hand		1,369	434
		<u>88,429</u>	<u>80,502</u>
Creditors: amounts falling due within one year	16	<u>(74,338)</u>	<u>(64,592)</u>
Net current assets			
		<u>14,091</u>	<u>15,910</u>
Total assets less current liabilities		<u>27,501</u>	<u>27,473</u>
Creditors: amounts falling due after more than one year	17	(758)	(801)
Provisions for liabilities	19	(679)	(652)
Net assets		<u>26,064</u>	<u>26,020</u>
Capital and reserves			
Called up share capital	20	2,600	2,600
Profit and loss reserves	23	23,464	23,420
Total equity		<u>26,064</u>	<u>26,020</u>

The financial statements were approved by the board of directors and authorised for issue on 3-1-20 and are signed on its behalf by:


 B J Sanders
 Director

SEBDEN STEEL SERVICE CENTRES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 May 2017		<u>2,600</u>	<u>20,759</u>	<u>23,359</u>
Year ended 30 April 2018:				
Profit and total comprehensive income for the year		-	3,721	3,721
Dividends	9	-	(1,060)	(1,060)
Balance at 30 April 2018		<u>2,600</u>	<u>23,420</u>	<u>26,020</u>
Year ended 30 April 2019:				
Profit and total comprehensive income for the year		-	1,494	1,494
Dividends	9	-	(1,450)	(1,450)
Balance at 30 April 2019		<u>2,600</u>	<u>23,464</u>	<u>26,064</u>

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Sebden Steel Service Centres Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Craven House, Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HE.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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' ('FRS102') and the requirement of the Companies Act 2006, including the provisions of the Large and Medium- sized companies and Groups, (Accounts and Reports) Regulations 2008.

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 £000.

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;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.
- The requirement of Section 33 Related Party Disclosures to disclose transactions between group companies.

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.

Sebden Steel Service Centres Limited is a wholly owned subsidiary of The Sebden Group and the results of Sebden Steel Service Centres Limited are included in the consolidated financial statements of The Sebden Group which are available from Craven House, Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HE.

Going concern

The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the company had adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank facilities.

Turnover

Turnover represents the invoiced amounts of goods sold less returns and allowances, excluding value added tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer, generally when the goods are dispatched.

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. No amortisation is provided in the year of acquisition.

Tangible fixed assets

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

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

Short leasehold land and buildings	Over the period of the lease
Plant, vehicles and equipment	See below

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.

The principal annual rates used for plant, vehicles and equipment can be summarised into the following categories:

Computer equipment	- 25% reducing balance
Furniture and fittings	- 10% reducing balance
Plant, machinery and office equipment	- 10% reducing balance and 25% straight line
Motor vehicles	- 25% reducing balance

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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group 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.

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and amounts owed to group companies 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.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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.

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

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.

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

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

The directors consider there to be no material judgements or estimation uncertainty used, upon the production of the financial statements.

3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity.

The directors have not disclosed turnover by geographical location as they consider it to be seriously prejudicial to the interests of the company to disclose such information.

4 Operating profit

	2019	2018
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	773	690
Depreciation of tangible fixed assets held under finance leases	178	197
Profit on disposal of tangible fixed assets	(9)	(4)
Amortisation of intangible assets	26	26
Operating lease charges	698	645
	<u> </u>	<u> </u>

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

5 Employees

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

	2019 Number	2018 Number
Production staff	120	123
Administrative staff	68	67
	<u>188</u>	<u>190</u>

Their aggregate remuneration comprised:

	2019 £000	2018 £000
Wages and salaries	5,291	5,373
Social security costs	492	516
Pension costs	183	195
	<u>5,966</u>	<u>6,084</u>

The company has made payments totalling £87,000 (2018 - £110,127) to directors of the company. Included in this is £8,000 (2018 - £6,000) pension contributions to money purchase schemes that were made on behalf of the directors.

6 Interest payable and similar expenses

	2019 £000	2018 £000
Interest on bank overdrafts and loans	343	253
Interest on finance leases and hire purchase contracts	40	47
Interest payable to group undertakings	42	-
	<u>425</u>	<u>300</u>

7 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	18	18

Auditor's remuneration in respect of other services is disclosed in the financial statements of the ultimate parent company, The Sebden Group Limited.

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

8 Taxation

	2019 £000	2018 £000
Current tax		
UK corporation tax on profits for the current period	301	757
Adjustments in respect of prior periods	(7)	1
Total current tax	<u>294</u>	<u>758</u>
Deferred tax		
Origination and reversal of timing differences	24	(2)
Adjustment in respect of prior periods	4	(1)
Total deferred tax	<u>28</u>	<u>(3)</u>
Total tax charge	<u>322</u>	<u>755</u>

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £000	2018 £000
Profit before taxation	<u>1,816</u>	<u>4,476</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	345	850
Tax effect of expenses that are not deductible in determining taxable profit	21	19
Adjustments in respect of prior years	(7)	-
Group relief	(46)	(123)
Other permanent differences	8	8
Deferred tax adjustments in respect of prior years	4	-
Tax chargeable at different rates	-	1
Adjust closing deferred tax to average rate of 19%	(80)	-
Adjust opening deferred tax to average rate of 19%	77	-
Taxation charge for the year	<u>322</u>	<u>755</u>

The Chancellor stated his intention to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. This change was substantively enacted on 6 September 2016.

9 Dividends

	2019 £000	2018 £000
Final paid	<u>1,450</u>	<u>1,060</u>

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

10 Intangible fixed assets

	Goodwill
	£000
Cost	
At 1 May 2018 and 30 April 2019	263
Amortisation and impairment	
At 1 May 2018	78
Amortisation charged for the year	26
At 30 April 2019	104
Carrying amount	
At 30 April 2019	159
At 30 April 2018	185

11 Tangible fixed assets

	Short leasehold land and buildings	Plant, vehicles and equipment	Total
	£000	£000	£000
Cost			
At 1 May 2018	547	19,504	20,051
Additions	52	2,792	2,844
Disposals	-	(27)	(27)
At 30 April 2019	599	22,269	22,868
Depreciation and impairment			
At 1 May 2018	313	10,960	11,273
Depreciation charged in the year	46	905	951
Eliminated in respect of disposals	-	(7)	(7)
At 30 April 2019	359	11,858	12,217
Carrying amount			
At 30 April 2019	240	10,411	10,651
At 30 April 2018	234	8,544	8,778

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £178,000 (2018 - £197,000) for the year.

	2019	2018
	£000	£000
Plant, vehicles and equipment	1,598	1,776

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

12 Fixed asset investments

	Notes	2019 £000	2018 £000
Investments in subsidiaries	13	2,600	2,600

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 May 2018 & 30 April 2019	2,600
Carrying amount	
At 30 April 2019	2,600
At 30 April 2018	2,600

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

13 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
B&D Steel (Lothian) Limited	1	Dormant	Ordinary	100.00	
B&D Steel (Southern) Limited	1	Dormant	Ordinary		100.00
B&D Steel Limited	1	Dormant	Ordinary	100.00	
B&D Steel Services Limited	1	Dormant	Ordinary	100.00	
E Gerald Steel Limited	1	Dormant	Ordinary	100.00	
Seren Steel (Midlands) Limited	1	Dormant	Ordinary		100.00
Seren Steel (South Wales) Limited	1	Dormant	Ordinary		100.00

1 - Craven House Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HE

14 Stocks

	2019 £000	2018 £000
Finished goods and goods for resale	29,330	26,196

15 Debtors

	2019 £000	2018 £000
Amounts falling due within one year:		
Trade debtors	41,315	37,863
Corporation tax recoverable	14	-
Amounts owed by group undertakings	15,705	15,315
Other debtors	2	-
Prepayments and accrued income	694	694
	<u>57,730</u>	<u>53,872</u>

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £000	2018 £000
Obligations under finance leases	18	602	885
Trade creditors		45,498	35,864
Amounts owed to group undertakings		1,450	1,060
Corporation tax		-	376
Other taxation and social security		149	752
Other creditors		19,766	17,692
Accruals and deferred income		6,873	7,963
		<u>74,338</u>	<u>64,592</u>

Included within other creditors is £19,687,000 (2018 - £17,617,000) which is secured on the book debts of the company.

Obligations under finance lease agreements are secured upon the assets concerned.

17 Creditors: amounts falling due after more than one year

	Notes	2019 £000	2018 £000
Obligations under finance leases	18	758	801

18 Finance lease obligations

	2019 £000	2018 £000
Future minimum lease payments due under finance leases:		
Less than one year	602	885
Between one and five years	758	801
	<u>1,360</u>	<u>1,686</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Provisions for liabilities

	Notes	2019 £000	2018 £000
Deferred tax liabilities	21	679	652

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

20 Share capital

	2019	2018
	£000	£000
Ordinary share capital		
Issued and fully paid		
2,600,000 Ordinary of £1 each	2,600	2,600

21 Deferred taxation

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

	Liabilities	Liabilities
	2019	2018
	£000	£000
Balances:		
Accelerated capital allowances	710	681
Tax losses	(31)	(29)
	<u>679</u>	<u>652</u>

Movements in the year:

	2019
	£000
Liability at 1 May 2018	652
Charge to profit or loss	27
Liability at 30 April 2019	<u>679</u>

22 Retirement benefit schemes

	2019	2018
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	183	195

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

23 Reserves

Profit and loss reserves

This reserve reflects cumulative profits and losses net of distributions to owners.

SEBDEN STEEL SERVICE CENTRES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

24 Operating lease commitments

Lessee

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

	2019 £000	2018 £000
Within one year	397	410
Between one and five years	872	1,247
In over five years	-	21
	<u>1,269</u>	<u>1,678</u>

25 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 102 from disclosing transactions with group companies.

26 Ultimate controlling party

The directors consider that the immediate controlling party is Sebden Steel Limited, the company's immediate parent undertaking. The directors consider that the company's ultimate controlling party are the directors of The Sebden Group Limited.

The ultimate parent undertaking is The Sebden Group Limited and the immediate parent is Sebden Steel Limited.

The Sebden Group Limited is the only undertaking preparing consolidated accounts including the financial statements of the company. Group accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.