Registered number: 02231606

CLIFDA STEELS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

CLIFDA STEELS LIMITED
REGISTERED NUMBER: 02231606

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		31 December 2016 £		31 July 2015 £
Fixed assets					
Tangible assets	6		165,853		179,204
Current assets					
Stocks	7	-		178,809	
Debtors: amounts falling due within one year	8	734,834		3,944,405	
Bank and cash balances		8,353		407	
		743,187		4,123,621	
Creditors: amounts falling due within one year	9	(840,620)		(1,500,970)	
Net current (liabilities)/assets			(97,433)		2,622,651
Total assets less current liabilities			68,420		2,801,855
Provisions for liabilities					
Deferred tax	10	(1,866)		(1,866)	
			(1,866)		(1,866)
Net assets			66,554		2,799,989
Capital and reserves					
Called up share capital			100		100
Profit and loss account	11		66,454		2,799,889
Shareholders Funds			66,554		2,799,989

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28 September 2017

M Welden
Director

1. General information

Clifda Steels Limited is a private limited company, incorporated in England & Wales and its registered office is Metalstock House 5 Vanguard Way, Shoeburyness, Southend-On-Sea, SS3 9RE. This is also the principal trading address.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements for the period ended 31 December 2016 are the first statements of the company to be prepared in accordance with FRS 102. The last accounts under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 was 1 August 2014.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as stated below.

The estimated useful lives range as follows:

Freehold property	- 50 years straight line basis
Plant and machinery	- 15% reducing balance
Fixtures and fittings	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, finance leases, and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities and equity instruments are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. 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.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the period was 12 (2015 - 3).

4. Dividends

	31 December 2016 £	31 July 2015 £
Dividends paid	2,200,000	-

5. Intangible assets

	Goodwill £
Cost	
At 1 August 2015 and 31 December 2016	50,000
Amortisation	
At 1 August 2015 and 31 December 2016	50,000
Net book value	
At 31 December 2016	-
At 31 July 2015	-

6. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2015 and 31 December 2016	163,000	311,840	25,794	500,634
Depreciation				
At 1 August 2015	-	296,823	24,607	321,430
Charge for the period on owned assets	9,917	3,051	383	13,351
At 31 December 2016	9,917	299,874	24,990	334,781
Net book value				
At 31 December 2016	153,083	11;966	804	165,853
At 31 July 2015	163,000	15,017	1,187	179,204

7. Stocks

	31 December 2016 £	31 July 2015 £
Raw materials and consumables	-	178,809

8. Debtors

	31 December 2016 £	31 July 2015 £
Trade debtors	700,084	954,984
Amounts owed by group undertakings	-	2,941,691
Other debtors	34,750	29,160
Prepayments and accrued income	-	18,570
	734,834	3,944,405

9. Creditors: Amounts falling due within one year

	31 December 2016 £	31 July 2015 £
Bank overdrafts	462,474	443,782
Trade creditors	85,482	207,697
Amounts owed by group undertakings	281,723	748,500
Corporation tax	-	83,247
Other taxation and social security	5,911	8,956
Other creditors	5,030	8,788
	840,620	1,500,970

Included in bank loans and overdrafts is an amount of £462,474 (2015: £443,782) which is secured with fixed and floating charges. The bank loans and overdrafts are secured over the property held by the parent company.

10. Deferred taxation

	2016 £
At beginning of year	(1,866)
Charged to profit or loss	-
At end of year	(1,866)

The provision for deferred taxation is made up as follows:

	31 December 2016 £
Accelerated capital allowances	1,866
	1,866

11. Reserves

Profit and loss account

Represents all current and prior period retained profit and loss and does not contain any non-distributable reserves.

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,996 (2015: £8,566). Contributions totalling £4,165 (2015: £1,513) were payable to the fund at the balance sheet date

13. Contingent liabilities

The company has guaranteed any bank debts of fellow group undertakings, who in turn have cross guaranteed the bank debts of each undertaking. The amount guaranteed is £10,689,000 (2015: £12,786,031).

14. Consolidated parent undertaking

The smallest group for which consolidated financial statements are prepared which include the results of this company is that headed by Breal Capital Limited whose registered office is 4th Floor, 7/10 Chandos Street, London, W1G 9DQ.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

16. Auditors' information

The auditor's report for the accounts was unqualified, and there were no matters required to report by exception. The auditors were Simmons Gainsford LLP, and the audit report was signed by Daryush Farschi-Heidari FCA, the senior statutory auditor.