

Registration number 01346397

Avon Steel Company Limited

Unaudited Abbreviated Accounts
for the year ended 31 December 2012

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Avon Steel Company Limited
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Avon Steel Company Limited
(Registration number: 01346397)
Abbreviated Balance Sheet at 31 December 2012

		2012		2011	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets			288,547		334,410
Investments			100		100
			<u>288,647</u>		<u>334,510</u>
Current assets					
Stocks		494,002		455,674	
Debtors		2,088,427		2,110,729	
Cash at bank and in hand		<u>57,865</u>		<u>41,114</u>	
		2,640,294		2,607,517	
Creditors: Amounts falling due within one year		<u>(2,313,897)</u>		<u>(2,134,014)</u>	
Net current assets			<u>326,397</u>		<u>473,503</u>
Total assets less current liabilities			615,044		808,013
Creditors: Amounts falling due after more than one year			(36,665)		(52,581)
Provisions for liabilities			<u>(1,284)</u>		<u>(5,386)</u>
Net assets			<u>577,095</u>		<u>750,046</u>
Capital and reserves					
Called up share capital	4	1,205		1,205	
Share premium account		29,795		29,795	
Capital redemption reserve		117,500		117,500	
Profit and loss account		<u>428,595</u>		<u>601,546</u>	
Shareholders' funds			<u>577,095</u>		<u>750,046</u>

Avon Steel Company Limited
(Registration number: 01346397)
Abbreviated Balance Sheet at 31 December 2012


For the year ended 31 December 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board on 10/6/2013 and signed on its behalf by



Mr S C Parson
Director

Avon Steel Company Limited
Notes to the Abbreviated Accounts for the year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

During the year the company incurred a loss before tax of £177,053 £64,587 of this relates to unforeseen bad debts and has been shown as an exceptional item. The directors are confident that this situation will reverse and profits will be made in the current year.

The balance sheet shows the company has net current assets of £326,397 and net assets of £577,095. The company has an unutilised bank overdraft of £300,000 providing additional working capital headroom should this be required. Consequently the directors are confident that it is appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidating the dormant subsidiary undertaking would have an immaterial effect on the financial statements. Therefore the financial statements have been prepared as a single entity only and group financial statements have not been prepared.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Turnover is recognised when goods are delivered to the customer.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	over the term of the lease
Plant and machinery	15% straight line
Motor vehicles	25% straight line

Investment properties

No depreciation is provided in respect of the company's investment property. Although the Companies Act 2006 would normally require the systematic depreciation of fixed assets, it is believed that this policy of not providing depreciation on investment property is necessary in order for the financial statements to give a true and fair view as market valuation is more relevant than a measure of consumption in the activities of the company. It is the directors' policy to maintain the property in a good condition thus preserving its residual value and prolonging its useful life. On this basis, had the policy been to provide for depreciation on investment property, the depreciation charge in the financial statements would have been insignificant.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Avon Steel Company Limited

Notes to the Abbreviated Accounts for the year Ended 31 December 2012

Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Avon Steel Company Limited

Notes to the Abbreviated Accounts for the year Ended 31 December 2012

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Fixed assets

	Tangible assets £	Investments £	Total £
Cost			
At 1 January 2012	982,261	100	982,361
At 31 December 2012	982,261	100	982,361
Depreciation			
At 1 January 2012	647,851	-	647,851
Charge for the year	45,863	-	45,863
At 31 December 2012	693,714	-	693,714
Net book value			
At 31 December 2012	288,547	100	288,647
At 31 December 2011	334,410	100	334,510

3 Creditors

Creditors includes the following liabilities, on which security has been given by the company

	2012 £	2011 £
Amounts falling due within one year	16,209	24,541
Amounts falling due after more than one year	36,665	52,581
Total secured creditors	52,874	77,122

4 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	1,205	1,205	1,205	1,205