

CM Steel Buildings Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022

Glen Drummond Ltd
Chartered Accountants
Argyll House
Quarrywood Court
Livingston
West Lothian
EH54 6AX

CM Steel Buildings Ltd

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CM Steel Buildings Ltd

Company Information

Director	Mr C McInnes
Company secretary	Mrs L M McInnes
Registered office	CM House Easter Inch Road Easter Inch Business Park Bathgate West Lothian EH48 2FH

CM Steel Buildings Ltd

Director's Report for the Year Ended 31 December 2022

The director presents his report and the financial statements for the year ended 31 December 2022.

Director of the company

The director who held office during the year was as follows:

Mr C McInnes

Principal activity

The principal activity of the company is construction of industrial units

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the director on 30 March 2023

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Mr C McInnes

Director

CM Steel Buildings Ltd

(Registration number: SC334367)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	93,099	86,080
Current assets			
Stocks	<u>5</u>	20,145	200,145
Debtors	<u>6</u>	2,519,943	1,374,303
Cash at bank and in hand		<u>3,349,674</u>	<u>493,222</u>
		5,889,762	2,067,670
Creditors: Amounts falling due within one year	<u>7</u>	<u>(4,101,145)</u>	<u>(669,736)</u>
Net current assets		<u>1,788,617</u>	<u>1,397,934</u>
Total assets less current liabilities		1,881,716	1,484,014
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(103,694)</u>	<u>(152,737)</u>
Provisions for liabilities		<u>(5,225)</u>	<u>(5,119)</u>
Net assets		<u><u>1,772,797</u></u>	<u><u>1,326,158</u></u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Retained earnings		<u>1,772,697</u>	<u>1,326,058</u>
Shareholders' funds		<u><u>1,772,797</u></u>	<u><u>1,326,158</u></u>

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

- The director acknowledges his responsibilities for complying with the Sections 386 and 387 of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

CM Steel Buildings Ltd

(Registration number: SC334367) Balance Sheet as at 31 December 2022

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 30 March 2023

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Mr C McInnes

Director

CM Steel Buildings Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

CM House
Easter Inch Road
Easter Inch Business Park
Bathgate
West Lothian
EH48 2FH

These financial statements were authorised for issue by the director on 30 March 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. There were no material departures from that standard.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of the financial statements is the Pound Sterling (£).

Revenue recognition

Turnover comprises the fair value of the consideration derived from the construction of industrial units. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

CM Steel Buildings Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

At the balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Expenditure of £1,000 or more on individual tangible fixed assets is capitalised at cost. Expenditure on assets below this threshold is charged directly to the profit and loss account in the period it is incurred.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other tangible assets	20% straight line
Furniture, fittings and equipment	15% straight line
Motor vehicles	25% reducing balance

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

CM Steel Buildings Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 7 (2021 - 7).

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2022	28,444	153,302	42,427	224,173
Additions	-	38,543	-	38,543
At 31 December 2022	28,444	191,845	42,427	262,716
Depreciation				
At 1 January 2022	21,746	80,812	35,535	138,093
Charge for the year	1,650	27,758	2,116	31,524
At 31 December 2022	23,396	108,570	37,651	169,617
Carrying amount				
At 31 December 2022	5,048	83,275	4,776	93,099
At 31 December 2021	6,698	72,490	6,892	86,080

5 Stocks

	2022 £	2021 £
Work in progress	-	180,000
Other inventories	20,145	20,145
	<u>20,145</u>	<u>200,145</u>

6 Debtors

	Note	2022 £	2021 £
Trade debtors		1,969,899	618,055
Amounts owed by group undertakings and undertakings in which the company has a participating interest	10	-	486,906
Other debtors		550,044	269,342
		<u>2,519,943</u>	<u>1,374,303</u>

CM Steel Buildings Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

7 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>8</u>	53,715	53,672
Trade creditors		1,421,808	406,989
Taxation and social security		863,020	186,023
Other creditors		<u>1,762,602</u>	<u>23,052</u>
		<u>4,101,145</u>	<u>669,736</u>

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>8</u>	<u>103,694</u>	<u>152,737</u>

CM Steel Buildings Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

8 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	44,715	44,672
Hire purchase contracts	9,000	9,000
	<u>53,715</u>	<u>53,672</u>

Other borrowings

Royal Bank of Scotland hold a bond and floating charge over the assets of the company. There is also a company guarantee in place to the value of £799,290. These are both securities held on behalf of the holding company, Maxam Developments Ltd. The bank loan is supported by a 100% guarantee from the UK Government.

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary Shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

10 Related party transactions

Summary of transactions with key management

The company operates a loan account with the director, Mr C McInnes.

During the year, the company repaid loans totalling £4,451 to the director. At the year end, the balance due to the director was £0 (2021 - £4,451). This loan is unsecured, interest free and has no fixed repayment terms.

Summary of transactions with parent

The company operates a loan account with Maxam Developments Limited, the parent company.

During the year, the company paid rent totalling £48,000 (2021 - £60,000) to Maxam Developments Limited, this was conducted under normal commercial terms. The company also paid dividends totalling £500,000 (2021 - £0) to Maxam Developments Limited.

During the year, Maxam Developments Limited repaid loans totalling £535,800 to the company. At the year end, the balance due from Maxam Developments Limited was £48,894 (2021 - £486,906 due from the company to Maxam Developments Limited).

This loan is unsecured, interest free and has no fixed repayment terms

11 Parent and ultimate parent undertaking

The ultimate controlling party is Maxam Developments Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.