

Company Registration No. 03192327 (England and Wales)

THE SEBDEN GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2016



THE SEBDEN GROUP LIMITED

COMPANY INFORMATION

Directors B J Sanders
 R E Hill
 M P Whitby
 M C Weisselberg - non executive

Company number 03192327

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

Auditors 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

THE SEBDEN GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present the strategic report and financial statements for the year ended 30 April 2016.

Fair review of the business

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

Position at the end of the period

The balance sheet at the end of the period shows that the group's net assets have increased by £0.45m to £12.92m.

Principal risks and uncertainties

The group 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 group'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 group's trading activities.

The group uses forward exchange contracts to mitigate its exchange risk.

Development and performance

The profit on the ordinary activities of the group before taxation amounted to £879,000 (2015: £802,000). After tax, the profit of £1,082,000 (2015: £533,000) has been transferred to reserves.

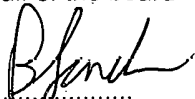
The Directors continue to be pleased with the performance of the business in a tough economic climate and expect the business to continue to perform well in the future.

Key performance indicators

The group's key financial and other performance indicators during the period were as follows:

	2016	2015
Turnover	£110.9m	£124.4m
Gross profit	£8.95m	£9.19m
Gross profit %	8.07%	7.39%
Profit before tax and amortisation	£0.99m	£0.86m
Stock	£12.4m	£17.6m
Net asset position	£12.92m	£12.47m

On behalf of the board



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B J Sanders

Director

19-1-2017

THE SEBDEN GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities

The principal activities of the group 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:

B J Sanders
R E Hill
M P Whitby
M C Weisselberg - non executive

Results and dividends

The results for the year are set out on page 6.

Details of dividends are set out in note 10 of the accounts.

Financial risk management objectives and policies

The group 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 group'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 group's trading activities.

The group uses forward exchange contracts to mitigate its exchange 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.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

THE SEBDEN GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

Strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (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



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B J Sanders

Director

19-1-2017
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THE SEBDEN GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Strategic Report and 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 group and of the profit or loss of the group 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SEBDEN GROUP LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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
PR2 5PE
Date 25/1/17

THE SEBDEN GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2016

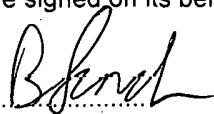
	Notes	2016 £000	2015 £000
Turnover	3	110,931	124,408
Cost of sales		(101,983)	(115,217)
Gross profit		<u>8,948</u>	<u>9,191</u>
Administrative expenses		(7,699)	(7,953)
Operating profit	4	<u>1,249</u>	<u>1,238</u>
Interest payable and similar charges	8	(370)	(436)
Profit on ordinary activities before taxation		<u>879</u>	<u>802</u>
Taxation	9	203	(269)
Profit for the financial year	26	<u><u>1,082</u></u>	<u><u>533</u></u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

THE SEBDEN GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2016**

	Notes	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Goodwill	11		1,508		1,612
Other intangible assets	11		8		10
Total intangible assets			1,516		1,622
Tangible assets	12		17,919		17,493
			19,435		19,115
Current assets					
Stocks	15	12,372		17,615	
Debtors	16	24,947		32,703	
Investments	17	100		100	
Cash at bank and in hand		259		171	
		37,678		50,589	
Creditors: falling due within one year	18	(39,551)		(52,410)	
Net current liabilities			(1,873)		(1,821)
Total assets less current liabilities			17,562		17,294
Creditors: amounts falling due after more than one year	19		(3,827)		(3,729)
Provisions for liabilities	23		(820)		(1,100)
Net assets			12,915		12,465
Capital and reserves					
Called up share capital	25		25		25
Share premium account	26		2,386		2,386
Capital redemption reserve	26		21		21
Profit and loss reserves	26		10,483		10,033
Equity attributable to owners of the parent company			12,915		12,465

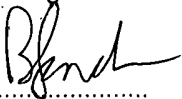
The financial statements were approved by the board of directors and authorised for issue on 19-1-2017 and are signed on its behalf by:


B J Sanders
Director

THE SEBDEN GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2016**

	Notes	2016 £000	2015 £000
Fixed assets			
Investments	13		6,163
Current assets			
Debtors	16	3,245	3,708
Cash at bank and in hand		9	93
		<u>3,254</u>	<u>3,801</u>
Creditors: falling due within one year	18	<u>(6,909)</u>	<u>(7,315)</u>
Net current liabilities			(3,514)
Total assets less current liabilities			<u>2,649</u>
Capital and reserves			
Called up share capital	25	25	25
Share premium account	26	2,386	2,386
Capital redemption reserve	26	21	21
Profit and loss reserves	26	95	217
Total equity		<u>2,527</u>	<u>2,649</u>

The financial statements were approved by the board of directors and authorised for issue on 19-1-2017
and are signed on its behalf by:



B J Sanders
Director

THE SEBDEN GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 May 2014		25	2,386	21	9,772	12,204
Year ended 30 April 2015:						
Profit and total comprehensive income for the year		-	-	-	533	533
Dividends	10	-	-	-	(272)	(272)
Balance at 30 April 2015		25	2,386	21	10,033	12,465
Year ended 30 April 2016:						
Profit and total comprehensive income for the year		-	-	-	1,082	1,082
Dividends	10	-	-	-	(632)	(632)
Balance at 30 April 2016		25	2,386	21	10,483	12,915

THE SEBDEN GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 May 2014		25	2,386	21	435	2,867
Year ended 30 April 2015:						
Profit and total comprehensive income for the year		-	-	-	54	54
Dividends	10	-	-	-	(272)	(272)
Balance at 30 April 2015		25	2,386	21	217	2,649
Year ended 30 April 2016:						
Profit and total comprehensive income for the year		-	-	-	510	510
Dividends	10	-	-	-	(632)	(632)
Balance at 30 April 2016		25	2,386	21	95	2,527

THE SEBDEN GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £000	£000	2015 £000	£000
Cash flows from operating activities					
Cash generated from operations	30		2,598		3,198
Interest paid			(370)		(436)
Income taxes (paid)/refunded			(98)		12
Net cash inflow from operating activities			<u>2,130</u>		<u>2,774</u>
Investing activities					
Purchase of intangible assets			-	(263)	
Purchase of tangible fixed assets		(550)		(7,235)	
Proceeds on disposal of tangible fixed assets		59		6	
Proceeds from other investments and loans		-		(100)	
Net cash used in investing activities			<u>(491)</u>		<u>(7,592)</u>
Financing activities					
Repayment of borrowings		(93)		1,308	
Payment of finance leases obligations		(826)		3,116	
Dividends paid to equity shareholders		(632)		(272)	
Net cash (used in)/generated from financing activities			<u>(1,551)</u>		<u>4,152</u>
Net increase/(decrease) in cash and cash equivalents			<u>88</u>		<u>(666)</u>
Cash and cash equivalents at beginning of year			<u>171</u>		<u>837</u>
Cash and cash equivalents at end of year			<u><u>259</u></u>		<u><u>171</u></u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies

Company information

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

The group consists of The Sebden Group Limited and all of its subsidiaries.

The company's and the group's principal activities 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" ("FRS 102") and the requirements 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.

These group and company financial statements for the year ended 30 April 2016 are the first financial statements of The Sebden Group Limited and the group prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The group and company financial statements for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

In accordance with FRS 102, the Company has taken advantage of the 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 33 'Related Party Disclosures' – Compensation for key management personnel
- Section 33 'Related Party Disclosures' – Disclosure of transactions between group companies

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £510,000 (2015 - £54,000).

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of The Sebden Group Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 April 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

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

Turnover

Turnover represents the invoiced amount 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 have been transferred to the customer, which is on invoice.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

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:

Freehold buildings	2% straight line
Short leasehold land and buildings	Equally over the period of the lease
Plant, vehicles and equipment	10% - 25% reducing balance

Land is not depreciated

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.

Fixed asset investments

In the separate accounts of the company, 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.

Impairment of fixed assets

At each reporting end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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 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 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 group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow 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 receipts 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 group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group 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 group.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

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 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 assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. 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 assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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 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 Judgements and key sources of estimation uncertainty

In the application of the group'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

An analysis of the group's turnover is as follows:

	2016	2015
	£000	£000
Turnover analysed by class of business		
Sale of goods	110,931	124,408
	<u>110,931</u>	<u>124,408</u>

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.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

4 Operating profit	2016	2015
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	851	859
Depreciation of tangible fixed assets held under finance leases	120	133
(Loss)/profit on disposal of tangible fixed assets	12	(2)
Amortisation of intangible assets	106	55
Operating lease charges	753	871
	<u> </u>	<u> </u>
5 Auditors' remuneration	2016	2015
	£000	£000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	28	26
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	7	6
All other non-audit services	7	4
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
6 Employees		
The average monthly number of persons (including directors) employed by the group during the year was:		
	2016	2015
	Number	Number
Production	150	135
Administrative	93	100
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Their aggregate remuneration comprised:		
	2016	2015
	£000	£000
Wages and salaries	6,724	6,270
Social security costs	663	597
Pension costs	297	308
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

7	Directors' remuneration	2016	2015
		£000	£000
	Remuneration for qualifying services	422	522
	Company pension contributions to defined contribution schemes	25	25
		<u>447</u>	<u>547</u>
		<u><u>447</u></u>	<u><u>547</u></u>
8	Interest payable and similar charges	2016	2015
		£000	£000
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	273	361
	Interest on finance leases and hire purchase contracts	75	50
	Interest on other loans	22	25
		<u>370</u>	<u>436</u>
		<u><u>370</u></u>	<u><u>436</u></u>
9	Taxation	2016	2015
		£000	£000
	Current tax		
	UK corporation tax on profits for the current period	197	226
	Adjustments in respect of prior periods	(120)	-
	Total current tax	<u>77</u>	<u>226</u>
		<u><u>77</u></u>	<u><u>226</u></u>
	Deferred tax		
	Origination and reversal of timing differences	(21)	43
	Changes in tax rates	(14)	-
	Adjustment in respect of prior periods	(245)	-
	Total deferred tax	<u>(280)</u>	<u>43</u>
		<u><u>(280)</u></u>	<u><u>43</u></u>
	Total tax charge	<u><u>(203)</u></u>	<u><u>269</u></u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

9 Taxation (Continued)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2016 £000	2015 £000
Profit before taxation	879	802
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	176	160
Tax effect of expenses that are not deductible in determining taxable profit	49	39
Permanent capital allowances in excess of depreciation	1	-
Under/(over) provided in the year	(120)	-
Deferred tax adjustments in respect of prior years	(245)	-
Other tax adjustments	(71)	9
Prior year losses relieved	21	27
Tax charged at different rates	(14)	10
Other timing differences	-	24
Tax expense for the year	(203)	269

The Chancellor stated his intention to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. This change was substantively enacted on 26 October 2015.

10 Dividends

	2016 £000	2015 £000
Group and company		
Final paid	632	272
	632	272

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

11 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Other intangibles £000	Total £000
Cost				
At 1 May 2015 and 30 April 2016	2,866	(404)	25	2,487
Amortisation and impairment				
At 1 May 2015	1,254	(404)	15	865
Amortisation charged for the year	104	-	2	106
At 30 April 2016	1,358	(404)	17	971
Carrying amount				
At 30 April 2016	1,508	-	8	1,516
At 30 April 2015	1,612	-	10	1,622

The company had no intangible fixed assets at 30 April 2016 or 30 April 2015.

12 Tangible fixed assets

Group	Freehold buildings £000	Short leasehold land and buildings £000	Plant, vehicles and equipment £000	Total £000
Cost				
At 1 May 2015	9,268	533	19,829	29,630
Additions	30	15	1,423	1,468
Disposals	-	-	(98)	(98)
At 30 April 2016	9,298	548	21,154	31,000
Depreciation and impairment				
At 1 May 2015	94	288	11,755	12,137
Depreciation charged in the year	49	42	880	971
Eliminated in respect of disposals	-	-	(27)	(27)
At 30 April 2016	143	330	12,608	13,081
Carrying amount				
At 30 April 2016	9,155	218	8,546	17,919
At 30 April 2015	9,174	245	8,074	17,493

The company had no tangible fixed assets at 30 April 2016 or 30 April 2015.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

12 Tangible fixed assets (Continued)

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 £120,000 (2015 - £133,000) for the year.

		Group		Company	
		2016	2015	2016	2015
		£000	£000	£000	£000
Plant, vehicles and equipment		1,078	1,198	-	-
		<u>1,078</u>	<u>1,198</u>	<u>-</u>	<u>-</u>
13 Fixed asset investments					
		Group		Company	
		2016	2015	2016	2015
	Notes	£000	£000	£000	£000
Investments in subsidiaries	14	-	-	6,182	6,163
		<u>-</u>	<u>-</u>	<u>6,182</u>	<u>6,163</u>

Movements in fixed asset investments

Company

Cost

At 01 May 2015 & 30 April 2016

Additions

At 30 April 2016

Carrying amount

At 30 April 2016

At 30 April 2015

Shares
£000

6,163

19

6,182

6,182

6,163

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Sebden Steel Limited	England and Wales	Dormant holding company	Ordinary	100
Sebden Steel Service Centres Limited	England and Wales	Steel service centres and processor	Ordinary	100
Albion Sections Limited	England and Wales	Manufacturer of cold rolled sections for the construction and engineering industries	Ordinary	100
Structural Systems Limited	England and Wales	Design fabrication and installation of steelwork	Ordinary	100
Cobco (939) Limited	England and Wales	Dormant holding company	Ordinary	100
Cobco (236) Limited	England and Wales	Property investment	Ordinary	100
Bytecomm Limited	England and Wales	Dormant	Ordinary	100

15 Stocks

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Raw materials and consumables	373	411	-	-
Work in progress	36	35	-	-
Finished goods and goods for resale	11,963	17,169	-	-
	<u>12,372</u>	<u>17,615</u>	<u>-</u>	<u>-</u>

16 Debtors

	Group		Company	
	2016	2015	2016	2015
Amounts falling due within one year:	£000	£000	£000	£000
Trade debtors	24,189	31,740	-	-
Amounts due from fellow group undertakings	-	-	3,107	3,354
Other debtors	173	188	138	188
Prepayments and accrued income	585	775	-	166
	<u>24,947</u>	<u>32,703</u>	<u>3,245</u>	<u>3,708</u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

17 Current asset investments

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Land held for resale	100	100	-	-

18 Creditors: falling due within one year

	Notes	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Obligations under finance leases	22	729	828	-	-
Trade creditors		21,531	29,135	-	-
Amounts due to group undertakings		-	-	6,875	7,280
Corporation tax		161	182	-	3
Other taxation and social security		1,088	1,360	30	27
Deferred income		45	-	-	-
Other creditors		11,078	16,531	4	5
Accruals and deferred income		4,919	4,374	-	-
		<u>39,551</u>	<u>52,410</u>	<u>6,909</u>	<u>7,315</u>

Included in other creditors is £10,956,000 (2015: £16,452,000) which is secured on the book debts of the group.

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

19 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Obligations under finance leases	22	2,612	2,421	-	-
Other borrowings	21	1,215	1,308	-	-
		<u>3,827</u>	<u>3,729</u>	<u>-</u>	<u>-</u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

20 Financial instruments

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	24,360	31,928	3,245	3,542
Equity instruments measured at cost less impairment	-	-	6,182	6,163
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	42,084	54,597	6,879	7,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Borrowings

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Other loans	1,215	1,308	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable after one year	1,215	1,308	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The long term bank loan is secured by one of the freehold premises held by the group.

22 Finance lease obligations

	Group 2016 £000	2015 £000	Company 2016 £000	2015 £000
Future minimum lease payments due under finance leases:				
Less than one year	729	827	-	-
Between one and five years	2,612	2,421	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,341	3,248	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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 2016 £000	Liabilities 2015 £000
Group		
Accelerated capital allowances	820	1,100
	<u> </u>	<u> </u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

23 Deferred taxation (Continued)

	Group	Company
	2016	2016
	£000	£000
Movements in the year:		
Liability at 1 May 2015	1,100	-
Charge to profit or loss	(280)	-
Liability at 30 April 2016	<u>820</u>	<u>-</u>

24 Retirement benefit schemes

	2016	2015
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>297</u>	<u>308</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and company	
	2016	2015
	£000	£000
Ordinary share capital		
Issued and fully paid		
2,253,327 Ordinary shares of 1p each	23	23
83,000 Ordinary 'B' shares of 1p each	1	1
158,000 Ordinary 'C' shares of 1p each	1	1
	<u>25</u>	<u>25</u>

Ordinary and Ordinary 'C' shares are entitled to one vote per share. There are no voting or dividend rights attached to Ordinary 'B' shares.

26 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

26 Reserves (Continued)

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

27 Operating lease commitments

Lessee

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

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Within one year	381	512	-	-
Between two and five years	1,181	1,275	-	-
In over five years	510	797	-	-
	<u>2,072</u>	<u>2,584</u>	<u>-</u>	<u>-</u>

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016	2015
	£000	£000
Aggregate compensation	<u>503</u>	<u>616</u>

The company has taken advantage of the exemption under Financial Reporting Standard 102 from disclosing transactions with group companies where consolidated financial statements are prepared.

29 Controlling party

The directors consider that the company's ultimate controlling party are the directors of that company.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

30 Cash generated from operations	2016 £000	2015 £000
Profit for the year after tax	1,082	533
Adjustments for:		
Taxation (credited)/charged	(203)	269
Finance costs	370	436
Loss/(gain) on disposal of tangible fixed assets	12	(2)
Amortisation of intangible assets	106	55
Depreciation of tangible fixed assets	971	992
Movements in working capital:		
Decrease/(increase) in stocks	5,243	(6,621)
Decrease/(increase) in debtors	7,756	(7,572)
(Decrease)/increase in creditors	(12,784)	15,108
Increase in deferred income	45	-
Cash generated from operations	<u>2,598</u>	<u>3,198</u>