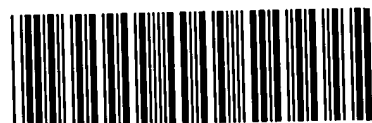


**Company Registration No. 03192327 (England and Wales)**

**THE SEBDEN GROUP LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 11 MONTH PERIOD ENDED**  
**31 MARCH 2020**

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# THE SEBDEN GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B J Sanders R E Hill M P Whitby
<b>Company number</b>	03192327
<b>Registered office</b>	Craven House Craven Road Broadheath Altrincham Cheshire WA14 5HE
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
<b>Business address</b>	Craven House Craven Road Broadheath Altrincham Cheshire WA14 5HE
<b>Bankers</b>	HSBC 4 Hardman Square Spinningfields Manchester M3 3EB

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# THE SEBDEN GROUP LIMITED

## STRATEGIC REPORT

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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The directors present the strategic report and financial statements for the 11 month period ended 31 March 2020.

#### **Fair review of the business**

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

The fall in sales in the period relates to the impact of COVID-19 on the wider economy and the fact the current period is 11 months compared to 12 months in the prior period.

#### **Principal risks and uncertainties**

The Directors do not feel 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 successful withdrawal from the EU. The group has prepared as much as possible for any impact to the business and has taken the appropriate steps to minimise disruption to the company.

#### **Development and performance**

The profit on the ordinary activities of the group before taxation amounted to £677,000 (2019: £1,648,000). After tax, the profit of £440,000 (2019: £1,238,000) 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 performance indicators are financial in nature and during the period were as follows:

	<b>2020</b>	<b>2019</b>
<i>Turnover</i>	<i>£146.3m</i>	<i>£177.8m</i>
<i>Gross profit</i>	<i>£8.10m</i>	<i>£10.51m</i>
<i>Gross profit %</i>	<i>5.54%</i>	<i>5.91%</i>
<i>Profit before tax and amortisation</i>	<i>£0.78m</i>	<i>£1.75m</i>
<i>Stock</i>	<i>£20.90m</i>	<i>£30.11m</i>
<i>Net asset position</i>	<i>£21.21m</i>	<i>£21.08m</i>

# THE SEBDEN GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### Going concern and COVID-19

The directors have reviewed the impact of COVID 19 and are satisfied that the Group has the financial strength to work through the current crisis. The business has a healthy financial position and to date the Group has not experienced any significant impact on its financial performance.

The directors are taking all reasonable steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring available support from the UK Government. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### Carbon & energy reporting

Utility and Scope Consumption		Unit	tCo2e
<b>Scope 1</b>			
Natural Gas	973,063	kWh	178.900
Kerosene	58,794	litres	149.360
Red Diesel	66,475	litres	172.440
LPG	3,901	kg	11.460
			<b>512.160</b>
<b>Scope 2</b>			
Electricity	2,139,749	kWh	546.920
			<b>546.920</b>
<b>Scope 3</b>			
Business Mileage - cars			41.070
			<b>41.070</b>
<b>Methodology</b>			
Scope 1, 2 and 3 consumption and CO2e emissions data has been calculated in line with the 2019 UK government environmental reporting guidance.			
Scope 1 consumption and emissions relate to direct combustion of natural gas and fuels utilised for heating and transportation purposes.			
Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity for day to day operations.			
Scope 3 relates to other direct emissions			
<b>Intensity Metric</b>			
Key performance indicator for measuring intensity of consumption is:			
Tonnes of CO2e per total square meterage of operational floor space			
Total Emissions/Total M2 = tCO2/m2 intensity ratio			

# THE SEBDEN GROUP LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### Section 172 Statement

The Directors understand the business and the evolving environment in which it operates. The Board conducts board meetings to assess and monitor the progress against its strategic decisions. Factors which are continually being considered against strategy include the promotion of the Company, its stakeholders, employees and the strengthening of supplier and customer relationships.

This statement sets out how the Directors of the company have fulfilled their duty to comply with the requirements of Section 172 of the Companies Act 2006 and explains how the directors have had regard to broader stakeholder interests when making decisions to promote the success of the business. Business decisions are made with the needs of our key stakeholders in mind, in particular: customers, suppliers, employees and shareholders.

### *Our Employees*

The Directors recognise that employees are fundamental and core to our business and delivery of our strategic ambitions. Our success depends on attracting, retaining, and motivating employees. We ensure that we remain a responsible employer, from pay and benefits to our Health, Safety, and workplace environment. In place there is a continual training plan, this is budgeted into the plan. The Directors are accessible most days to employees and factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

### *Our Customers*

Delivering our business strategy requires strong mutually beneficial relationships with customers. The Board receives regular reporting on customer outcomes and customer related strategic initiatives throughout the year. The Board closely monitors customer metrics and engages with the Management team to understand the issues if our performance does not meet our customers' expectations. The board continues to monitor and review changes to our IT infrastructure which will allow us to simplify and support service delivery to our customers.

### *Our Suppliers*

The Directors maintain oversight of the management of our most important suppliers and regularly review their performance. Our established supplier standards set out ways of working and the high standards we expect of our suppliers. For example, in relation to our obligations under the anti-modern slavery law. The Board reviews the actions we have taken to prevent modern slavery and associated practices in any part of our supply chain and approves our Modern Slavery Statement each year.

### *Community*

We recognise the importance of contributing to our communities through community investment, and as a major manufacturer in the local area we are fully engaged in building resilience against the global impact of climate. We offer support and products to local schools, churches, and sports clubs that stretches to the wider community.

### *The Environment*

In their decision making, the Directors have regard to the impact of the Company's operations on the community and environment. The Board plays a constructive role in tackling issues through engagement and investment. It is important for the long-term future of the business that we protect and enhance the environment. We are committed to reducing our carbon footprint and contribution to climate change where economically viable.

On behalf of the board



.....  
B J Sanders  
Director

Date: 5-2-2021

# THE SEBDEN GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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The directors present their annual report and financial statements for the 11 month period ended 31 March 2020.

#### Principal activities

The principal activities of the group continued to be those of steel service centres and processors. The principal activity of the company continued to be that of a parent company.

#### Directors

The directors who held office during the 11 month period 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

(Resigned 3 September 2020)

#### Results and dividends

The results for the 11 month period are set out on page 9.

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 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.

# THE SEBDEN GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### 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.

### Reporting period

The financial statements presented are for a period of 11 months compared to 12 months in the prior period. The accounting period has been shortened to bring it in line with the tax year. As such the financial statements, including the related notes are not entirely comparable.

On behalf of the board



B J Sanders  
Director

Date: 5-2-2021

# **THE SEBDEN GROUP LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020**

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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**

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## **Opinion**

We have audited the financial statements of The Sebden Group Limited (the 'parent company') and its subsidiaries (the 'group') for the 11 month period ended 31 March 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 group's and the parent company's affairs as at 31 March 2020 and of the group's profit for the 11 month period 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.

## **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 group and parent 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 group's or the parent 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 our audit:

- the information given in the strategic report and the directors' report for the financial 11 month period 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 THE SEBDEN GROUP LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 in relation to which 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

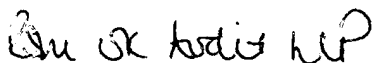
### Auditor's responsibilities for the audit of the financial statements

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

9 February 2021

# THE SEBDEN GROUP LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

		Period ended 31 March 2020 £000	Year ended 30 April 2019 £000
	Notes		
Turnover	3	146,333	177,804
Cost of sales		(138,229)	(167,292)
<b>Gross profit</b>		<b>8,104</b>	<b>10,512</b>
Administrative expenses		(6,983)	(8,448)
<b>Operating profit</b>	4	<b>1,121</b>	<b>2,064</b>
Interest payable and similar expenses	8	(444)	(416)
<b>Profit before taxation</b>		<b>677</b>	<b>1,648</b>
Tax on profit	9	(237)	(410)
<b>Profit for the financial 11 month period</b>		<b>440</b>	<b>1,238</b>

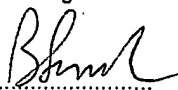
Profit for the financial 11 month period is all attributable to the owners of the parent company.

Total comprehensive income for the 11 month period is all attributable to the owners of the parent company.

**THE SEBDEN GROUP LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Goodwill	11	1,104	1,203
Tangible assets	12	21,613	20,512
		<u>22,717</u>	<u>21,715</u>
<b>Current assets</b>			
Stocks	15	20,897	30,105
Debtors	16	37,737	44,241
Cash at bank and in hand		925	1,510
		<u>59,559</u>	<u>75,856</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(57,964)</u>	<u>(74,063)</u>
<b>Net current assets</b>		<u>1,595</u>	<u>1,793</u>
<b>Total assets less current liabilities</b>		<u>24,312</u>	<u>23,508</u>
<b>Creditors: amounts falling due after more than one year</b>	18	(2,042)	(1,645)
<b>Provisions for liabilities</b>	21	(1,059)	(782)
<b>Net assets</b>		<u>21,211</u>	<u>21,081</u>
<b>Capital and reserves</b>			
Called up share capital	22	25	25
Share premium account	23	2,386	2,386
Capital redemption reserve	23	21	21
Profit and loss reserves	23	18,779	18,649
<b>Total equity</b>		<u>21,211</u>	<u>21,081</u>

The financial statements were approved by the board of directors and authorised for issue on 5-2-2021  
and are signed on its behalf by:

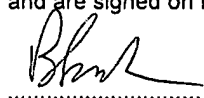
  
B J Sanders  
Director

**THE SEBDEN GROUP LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

		2020		2019	
	Notes	£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	13		6,182		6,182
<b>Current assets</b>					
Debtors	16	3,594		3,366	
Cash at bank and in hand		29		8	
		3,623		3,374	
<b>Creditors: amounts falling due within one year</b>	17	(7,315)		(6,912)	
<b>Net current liabilities</b>			(3,692)		(3,538)
<b>Total assets less current liabilities</b>			2,490		2,644
<b>Capital and reserves</b>					
Called up share capital	22		25		25
Share premium account	23		2,386		2,386
Capital redemption reserve	23		21		21
Profit and loss reserves	23		58		212
<b>Total equity</b>			2,490		2,644

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £156,000 (2019: £1,404,000)

The financial statements were approved by the board of directors and authorised for issue on 5-2-2021 and are signed on its behalf by:



B J Sanders  
Director

# THE SEBDEN GROUP LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 May 2018</b>		25	2,386	21	18,698	21,130
<b>Period ended 30 April 2019:</b>						
Profit and total comprehensive income for the period		-	-	-	1,238	1,238
Transactions with owners: Directors	10	-	-	-	(1,287)	(1,287)
<b>Balance at 30 April 2019</b>		25	2,386	21	18,649	21,081
<b>Period ended 31 March 2020:</b>						
Profit and total comprehensive income for the period		-	-	-	440	440
Transactions with owners: Directors	10	-	-	-	(310)	(310)
<b>Balance at 31 March 2020</b>		25	2,386	21	18,779	21,211

# THE SEBDEN GROUP LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 May 2018</b>		25	2,386	21	95	2,527
<b>Year ended 30 April 2019:</b>						
Profit and total comprehensive income for the period		-	-	-	1,404	1,404
Transactions with owners: Dividends	10	-	-	-	(1,287)	(1,287)
<b>Balance at 30 April 2019</b>		25	2,386	21	212	2,644
<b>Year ended 31 March 2020:</b>						
Profit and total comprehensive income for the period		-	-	-	156	156
Transactions with owners: Dividends	10	-	-	-	(310)	(310)
<b>Balance at 31 March 2020</b>		25	2,386	21	58	2,490

# THE SEBDEN GROUP LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

	Notes	2020 £000	£000	2019 £000	£000
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		2,075		6,434
Interest paid			(444)		(416)
Income taxes paid			(84)		(655)
<b>Net cash inflow from operating activities</b>			1,547		5,363
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,349)		(2,942)	
Proceeds on disposal of tangible fixed assets		260		31	
Proceeds from other investments and loans		-		118	
<b>Net cash used in investing activities</b>			(1,089)		(2,793)
<b>Financing activities</b>					
Repayment of bank loans		(74)		(79)	
Payment of finance leases obligations		(659)		(326)	
Dividends paid to equity shareholders		(310)		(1,287)	
<b>Net cash used in financing activities</b>			(1,043)		(1,692)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(585)		878
Cash and cash equivalents at beginning of 11 month period			1,510		632
<b>Cash and cash equivalents at end of 11 month period</b>			925		1,510



# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Company information

The Sebden Group Limited ("the company") 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 group consists of The Sebden Group Limited and all of its subsidiaries.

The company's and the group'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" ("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.

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures.

##### 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 31 March 2020. 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.

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.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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#### 1 Accounting policies (Continued)

##### **Going concern**

During March 2020, a global pandemic was declared and the UK entered a period of various restrictions, the Group has continued to trade throughout the lockdown period. The directors have reviewed the impact of Covid 19 on the business and are satisfied that the Group has financial strength and available headroom to meet their liabilities as they fall due. As a result of the directors assessment of the available headroom for the next 12 months, at the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Reporting period**

The financial statements presented are for a period of 11 months compared to 12 months in the prior period. The accounting period has been shortened to bring it in line with the tax year. As such the financial statements, including the related notes are not entirely comparable.

##### **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.

##### **Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### **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. In the directors' opinions, the useful economic life of the Goodwill is 20 years, as they feel that this represents the period over which the goodwill is expected to give rise to economic benefits.

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.

##### **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

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### 1 Accounting policies (Continued)

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.

A subsidiary is an entity controlled by the group. 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 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.

#### **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.

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 group 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 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.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### 1 Accounting policies (Continued)

#### **Basic financial assets**

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

#### **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.

#### **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 creditors, bank loans and amounts due to group undertakings 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 fair value of 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.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### 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. 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.

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.

#### **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 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 leased asset are consumed.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 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:

	2020 £000	2019 £000
<b>Turnover analysed by class of business</b>		
Sale of goods	146,333	177,804

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

### 4 Operating profit

	2020 £000	2019 £000
Operating profit for the period is stated after charging/(crediting):		
Research and development costs	-	10
Depreciation of owned tangible fixed assets	1,011	941
Depreciation of tangible fixed assets held under finance leases	159	178
Profit on disposal of tangible fixed assets	(115)	(28)
Amortisation of intangible assets	99	99
Operating lease charges	842	889

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

#### 5 Employees

The average monthly number of persons (including directors) employed during the 11 month period was:

	Group	
	2020	2019
	Number	Number
Production	149	152
Administrative	93	95
	<u>242</u>	<u>247</u>

Their aggregate remuneration comprised:

	Group	
	2020	2019
	£000	£000
Wages and salaries	6,861	7,878
Social security costs	544	769
Pension costs	311	295
	<u>7,716</u>	<u>8,942</u>

#### 6 Directors' remuneration

	2020	2019
	£000	£000
Remuneration for qualifying services	398	598
Company pension contributions to defined contribution schemes	63	20
	<u>461</u>	<u>618</u>

#### 7 Auditor's remuneration

	2020	2019
	£000	£000
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	28	27
<b>For other services</b>		
Taxation compliance services	6	6
All other non-audit services	8	8
	<u>14</u>	<u>14</u>

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 8 Interest payable and similar expenses

	2020 £000	2019 £000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	380	343
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	36	40
Other interest	28	33
Total finance costs	444	416

### 9 Taxation

	2020 £000	2019 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	3	386
Adjustments in respect of prior periods	(43)	(7)
Total current tax	(40)	379
<b>Deferred tax</b>		
Origination and reversal of timing differences	184	27
Changes in tax rates	92	-
Adjustment in respect of prior periods	1	4
Total deferred tax	277	31
Total tax charge	237	410



# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 9 Taxation (Continued)

The total tax charge for the 11 month period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £000	2019 £000
Profit before taxation	677	1,648
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	129	313
Tax effect of expenses that are not deductible in determining taxable profit	103	47
Tax effect of income not taxable in determining taxable profit	(40)	38
Gains not taxable	-	1
Adjustments in respect of prior years	(43)	(7)
Effect of change in corporation tax rate	92	-
Other permanent differences	(5)	17
Deferred tax adjustments in respect of prior years	1	4
Tax charged at different rates	-	(3)
Taxation charge	237	410

On 17 March 2020, a resolution was substantively enacted setting the rate of corporation tax at 19%. The deferred tax assets and liabilities reflect the rate that is expected to apply upon crystallisation.

### 10 Dividends

	2020 £000	2019 £000
Interim paid	310	1,287

The company paid dividends of £0.13 per share with dividend rights (2019 - £0.57 per share with dividend rights).

### 11 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Other intangibles £000	Total £000
<b>Cost</b>				
At 1 May 2019 and 31 March 2020	2,866	(404)	25	2,487
<b>Amortisation and impairment</b>				
At 1 May 2019	1,663	(404)	25	1,284
Amortisation charged for the 11 month period	99	-	-	99
At 31 March 2020	1,762	(404)	25	1,383

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 11 Intangible fixed assets (Continued)

<b>Carrying amount</b>				
At 31 March 2020	1,104	-	-	1,104
At 30 April 2019	1,203	-	-	1,203

The company had no intangible fixed assets at 31 March 2020 or 30 April 2019.

### 12 Tangible fixed assets

Group	Freehold buildings	Short leasehold land and buildings	Plant, vehicles and equipment	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 May 2019	9,298	600	25,684	35,582
Additions	573	9	1,834	2,416
Disposals	-	-	(280)	(280)
At 31 March 2020	9,871	609	27,238	37,718
<b>Depreciation and impairment</b>				
At 1 May 2019	442	361	14,267	15,070
Depreciation charged in the 11 month period	61	43	1,066	1,170
Eliminated in respect of disposals	-	-	(135)	(135)
At 31 March 2020	503	404	15,198	16,105
<b>Carrying amount</b>				
At 31 March 2020	9,368	205	12,040	21,613
At 30 April 2019	8,856	239	11,417	20,512

The company had no tangible fixed assets at 31 March 2020 or 30 April 2019.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Plant, vehicles and equipment	2,350	1,598	-	-

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 13 Fixed asset investments

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Investments in subsidiaries	14	-	-	6,182	6,182

#### Movements in fixed asset investments Company

	Shares in group undertakings £000
<b>Cost or valuation</b>	
At 1 May 2019 and 31 March 2020	6,182
<b>Carrying amount</b>	
At 31 March 2020	6,182
At 30 April 2019	6,182

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Albion Sections Limited	2	Manufacturer of cold rolled sections for the construction and engineering industries	Ordinary	-	100.00
Bytecomm Limited	1	Dormant	Ordinary	-	100.00
Cobco (236) Limited	1	Property investment	Ordinary	-	100.00
Cobco (939) Limited	1	Dormant holding company	Ordinary	100.00	-
Sebden Steel Limited	1	Dormant holding company	Ordinary	100.00	-
Sebden Steel Service Centres Limited	1	Steel service centres and processor	Ordinary	-	100.00
Structural Systems Limited	2	Design fabrication and installation of steelwork	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

2 - 2 Albion Road, West Bromwich, West Midlands, B70 8BD

### 15 Stocks

	Group		Company	
	2020	2019	2020	2019
	£000	£000	£000	£000
Raw materials and consumables	613	700	-	-
Work in progress	38	52	-	-
Finished goods and goods for resale	20,246	29,353	-	-
	<u>20,897</u>	<u>30,105</u>	<u>-</u>	<u>-</u>

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 16 Debtors

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	36,496	42,809	-	-
Corporation tax recoverable	53	-	2	-
Amounts owed by group undertakings	-	-	3,047	2,934
Other debtors	685	614	505	423
Prepayments and accrued income	503	818	40	9
	<u>37,737</u>	<u>44,241</u>	<u>3,594</u>	<u>3,366</u>

### 17 Creditors: amounts falling due within one year

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans and overdrafts	19	112	112	-	-
Obligations under finance leases	20	539	602	-	-
Trade creditors		34,908	46,125	-	-
Amounts owed to group undertakings		-	-	7,248	6,796
Corporation tax payable		-	71	-	18
Other taxation and social security		1,166	399	38	34
Other creditors		18,775	19,638	3	-
Accruals and deferred income		2,464	7,116	26	64
		<u>57,964</u>	<u>74,063</u>	<u>7,315</u>	<u>6,912</u>

Included in other creditors is £18,600,000 (2019: £19,687,000) which is secured on the book debts of the group.

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

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans and overdrafts	19	813	887	-	-
Obligations under finance leases	20	1,229	758	-	-
		<u>2,042</u>	<u>1,645</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>365</u>	<u>448</u>	<u>-</u>	<u>-</u>
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# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 19 Borrowings

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Bank loans	925	999	-	-
Payable within one year	112	112	-	-
Payable after one year	813	887	-	-

There is a debenture including Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debtors, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future dated 22 August 2014.

Unlimited Multilateral Guarantee dated 15 July 2013 given by The Sebden Group Limited, Sebden Steel Service Centres Limited, Albion Sections Limited, Eterniti Steels Limited, Cobco (236) Limited.

First Legal charge dated 12 September 2014 over Freehold Property known as Unit 7, Langthwaite Road, Langthwaite Grange Industrial Estate.

### 20 Finance lease obligations

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Future minimum lease payments due under finance leases:				
Less than one year	539	602	-	-
Between one and five years	1,229	758	-	-
	1,768	1,360	-	-

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.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

### 21 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 2020 £000	Liabilities 2019 £000
<b>Group</b>		
Accelerated capital allowances	1,096	813
Tax losses	(37)	(31)
	<u>1,059</u>	<u>782</u>

The company has no deferred tax assets or liabilities.

	Group 2020 £000	Company 2020 £000
<b>Movements in the 11 month period:</b>		
Liability at 1 May 2019	782	-
Charge to profit or loss	277	-
	<u>1,059</u>	<u>-</u>
Liability at 31 March 2020		

### 22 Share capital

	Group and company 2020 £000	2019 £000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
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.

### 23 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.

# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

#### 23 Reserves (Continued)

##### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

#### 24 Retirement benefit schemes

	2020 £000	2019 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	311	295

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 Cash generated from group operations

	2020 £000	2019 £000
Profit for the 11 month period after tax	440	1,238
Adjustments for:		
Taxation charged	237	410
Finance costs	444	416
Gain on disposal of tangible fixed assets	(115)	(28)
Amortisation and impairment of intangible assets	99	99
Depreciation and impairment of tangible fixed assets	1,170	1,119
Movements in working capital:		
Decrease/(increase) in stocks	9,208	(3,154)
Decrease/(increase) in debtors	6,557	(3,159)
(Decrease)/increase in creditors	(15,965)	9,493
Cash generated from operations	2,075	6,434

#### 26 Analysis of changes in net debt - group

	1 May 2019 £000	Cash flows £000	New finance leases £000	31 March 2020 £000
Cash at bank and in hand	1,510	(585)	-	925
Borrowings excluding overdrafts	(999)	74	-	(925)
Obligations under finance leases	(1,360)	659	(1,067)	(1,768)
	(849)	148	(1,067)	(1,768)



# THE SEBDEN GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 11 MONTH PERIOD ENDED 31 MARCH 2020

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### 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	
	2020	2019	2020	2019
	£000	£000	£000	£000
Within one year	454	422	-	-
Between one and five years	1,424	893	-	-
In over five years	2,788	171	-	-
	<u>4,666</u>	<u>1,486</u>	<u>-</u>	<u>-</u>

### 28 Controlling party

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

### 29 Events after the reporting date

Following the period end the group took out a CBILs loan of £5,000,000. This is repayable in 14 monthly instalments of £333,333, with a further final payment of £333,333 due on cessation of the loan.