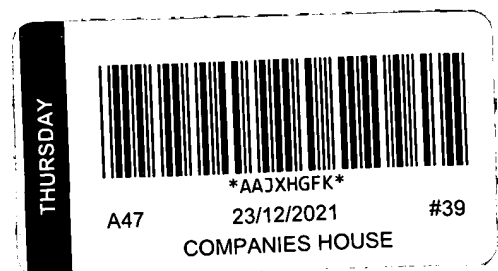


Company Registration No. 03192327 (England and Wales)

THE SEBDEN GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021



THE SEBDEN GROUP LIMITED

COMPANY INFORMATION

Directors	B J Sanders R E Hill M McCausland S J Hill A D T Smith
Company number	03192327
Registered office	Craven House Craven Road Broadheath Altrincham Cheshire WA14 5HE
Auditor	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 31 MARCH 2021

The directors present the strategic report and financial statements for the year ended 31 March 2021.

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 £6,788,000 (2020: £677,000). After tax, the profit of £5,500,000 (2020: £440,000) 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:

	2021	2020
<i>Turnover</i>	<i>£138.8m</i>	<i>£146.3m</i>
<i>Gross profit</i>	<i>£13.68m</i>	<i>£8.10m</i>
<i>Gross profit %</i>	<i>9.86%</i>	<i>5.54%</i>
<i>Profit before tax and amortisation</i>	<i>£1.36m</i>	<i>£0.78m</i>
<i>Stock</i>	<i>£11.53m</i>	<i>£20.90m</i>
<i>Net asset position</i>	<i>£26.65m</i>	<i>£21.21m</i>

THE SEBDEN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

Energy consumption

The table below shows the energy consumed by the group during the year ended 31 March 2021 in kilowatt hours (kwh) and tonnes of carbon dioxide.

Utility and Scope Consumption	Unit	2021		2020	
			tCO2e		tCO2e
Natural Gas (scope 1)	kWh	454,814	83.63	973,063	178.90
Kerosene (scope 1)	litres	57,347	145.68	58,794	149.36
Red Diesel (scope 1)	litres	50,140	138.27	66,475	172.44
LPG (scope 1)	kg	3,762	11.06	3,901	11.46
Business Mileage - cars (scope 1)			2.95		0
			381.59		512.16
Electricity (scope 2)	kWh	1,897,938	442.49	2,139,749	546.92
			442.49		546.92
Business Mileage - cars (scope 3)			11.20		41.07
			11.20		41.07
Methodology					
Scope 1, 2 and 3 consumption and CO2e emissions data has been calculated in line with the 2020 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.					
Intensity Metric					
Sebden's key performance indicator for measuring intensity of consumption is: Tonnes of CO2e per total square meterage of floor space					

THE SEBDEN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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: 17-12-21

THE SEBDEN GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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.

Results and dividends

The results for the year are set out on page 10.

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.

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	(Resigned 30 June 2021)
M C Weisselberg	(Resigned 3 September 2020)
M McCausland	(Appointed 1 April 2021)
S J Hill	(Appointed 1 April 2021)
A D T Smith	(Appointed 1 April 2021)

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 YEAR ENDED 31 MARCH 2021

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 prior period financial statements were for a period of 11 months compared to 12 months in the current period. The accounting period was 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: 17-12-21

THE SEBDEN GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the Strategic Report and Strategic Report, 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

We have audited the financial statements of The Sebden Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 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 of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 year 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)

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 or 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions, transactions entered into outside the normal course of business challenging judgments and estimates applied in the valuation of provisions in respect of stock and trade receivables and performing a review of revenue recognition policies, their applicability during the year and the cut off of revenue.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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
21/12/21

THE SEBDEN GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
Turnover	3	138,761	146,333
Cost of sales		(125,079)	(138,229)
Gross profit		13,682	8,104
Administrative expenses		(7,948)	(6,983)
Other operating income		1,320	-
Operating profit	4	7,054	1,121
Interest payable and similar expenses	8	(267)	(444)
Profit before taxation		6,787	677
Tax on profit	9	(1,287)	(237)
Profit for the financial year		5,500	440

Profit for the financial year is all attributable to the owners of the parent company.

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 31 MARCH 2021**

	Notes	2021 £000	2020 £000
Fixed assets			
Goodwill	11	1,005	1,104
Tangible assets	12	20,471	21,613
		<u>21,476</u>	<u>22,717</u>
Current assets			
Stocks	15	11,528	20,897
Debtors	16	47,744	37,737
Cash at bank and in hand		2,112	925
		<u>61,384</u>	<u>59,559</u>
Creditors: amounts falling due within one year	17	<u>(48,423)</u>	<u>(57,964)</u>
Net current assets		<u>12,961</u>	<u>1,595</u>
Total assets less current liabilities		<u>34,437</u>	<u>24,312</u>
Creditors: amounts falling due after more than one year	18	(6,848)	(2,042)
Provisions for liabilities	21	(943)	(1,059)
Net assets		<u><u>26,646</u></u>	<u><u>21,211</u></u>
Capital and reserves			
Called up share capital	23	25	25
Share premium account	24	-	2,386
Capital redemption reserve	24	21	21
Profit and loss reserves	24	26,600	18,779
Total equity		<u><u>26,646</u></u>	<u><u>21,211</u></u>

The financial statements were approved by the board of directors and authorised for issue on 17-12-21 and are signed on its behalf by:




B J Sanders
Director

THE SEBDEN GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	13		6,182		6,182
Current assets					
Debtors	16	272		3,594	
Cash at bank and in hand		200		29	
		<u>472</u>		<u>3,623</u>	
Creditors: amounts falling due within one year	17	<u>(3,816)</u>		<u>(7,315)</u>	
Net current liabilities			<u>(3,344)</u>		<u>(3,692)</u>
Total assets less current liabilities			<u>2,838</u>		<u>2,490</u>
Capital and reserves					
Called up share capital	23		25		25
Share premium account	24		-		2,386
Capital redemption reserve	24		21		21
Profit and loss reserves	24		2,792		58
Total equity			<u>2,838</u>		<u>2,490</u>

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 £413,000 (2020: £156,000).

The financial statements were approved by the board of directors and authorised for issue on 17-12-21 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 31 MARCH 2021

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 May 2019		25	2,386	21	18,649	21,081
Period ended 31 March 2020:						
Profit and total comprehensive income for the period		-	-	-	440	440
Transactions with owners: Directors	10	-	-	-	(310)	(310)
Balance at 31 March 2020		25	2,386	21	18,779	21,211
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	5,500	5,500
Issue of share capital	23	25	-	-	-	25
Transactions with owners: Directors	10	-	-	-	(90)	(90)
Reduction of shares	23	(25)	(2,386)	-	2,411	-
Balance at 31 March 2021		25	-	21	26,600	26,646

THE SEBDEN GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 May 2019		25	2,386	21	212	2,644
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	156	156
Transactions with owners: Dividends	10	-	-	-	(310)	(310)
Balance at 31 March 2020		25	2,386	21	58	2,490
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	413	413
Issue of share capital	23	25	-	-	-	25
Transactions with owners: Dividends	10	-	-	-	(90)	(90)
Reduction of shares	23	(25)	(2,386)	-	2,411	-
Balance at 31 March 2021		25	-	21	2,792	2,838

THE SEBDEN GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(6,993)		2,075
Interest paid			(267)		(444)
Income taxes paid			(500)		(84)
Net cash (outflow)/inflow from operating activities			(7,760)		1,547
Investing activities					
Purchase of tangible fixed assets		(131)		(1,349)	
Proceeds on disposal of tangible fixed assets		22		260	
Net cash used in investing activities			(109)		(1,089)
Financing activities					
Proceeds from borrowings		5,000		-	
Proceeds from new bank loans		4,750		-	
Repayment of bank loans		(89)		(74)	
Payment of finance leases obligations		(515)		(659)	
Dividends paid to equity shareholders		(90)		(310)	
Net cash generated from/(used in) financing activities			9,056		(1,043)
Net increase/(decrease) in cash and cash equivalents			1,187		(585)
Cash and cash equivalents at beginning of year			925		1,510
Cash and cash equivalents at end of year			2,112		925

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 2021. 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 YEAR ENDED 31 MARCH 2021

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 all the lockdown periods. 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.

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. 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

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.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

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.

Impairment of financial assets

Financial assets 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.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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, other borrowings, bank loans and amounts due to group undertakings are initially recognised at transaction price.

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.

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.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The government grant income received during the year ended 31 March 2021 relates to the Government's Coronavirus Job Retention Scheme.

The grant specifies performance conditions and is recognised in income when the performance conditions are met, which is the month in which the employees are paid. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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:

	2021 £000	2020 £000
Turnover analysed by class of business		
Sale of goods	138,761	146,333
	<u> </u>	<u> </u>
Other income		
Grants received	1,290	-
	<u> </u>	<u> </u>

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

	2021 £000	2020 £000
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,290)	-
Depreciation of owned tangible fixed assets	1,026	1,011
Depreciation of tangible fixed assets held under finance leases	233	159
Profit on disposal of tangible fixed assets	(13)	(115)
Amortisation of intangible assets	99	99
Operating lease charges	716	842
	<u> </u>	<u> </u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group	
	2021	2020
	Number	Number
Production	131	149
Administrative	85	93
	<u>216</u>	<u>242</u>

Their aggregate remuneration comprised:

	Group	
	2021	2020
	£000	£000
Wages and salaries	7,742	6,861
Social security costs	801	544
Pension costs	388	311
	<u>8,931</u>	<u>7,716</u>

6 Directors' remuneration

	2021	2020
	£000	£000
Remuneration for qualifying services	696	461
Company pension contributions to defined contribution schemes	56	63
	<u>752</u>	<u>524</u>

7 Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	36	28
	<u>36</u>	<u>28</u>
For other services		
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 YEAR ENDED 31 MARCH 2021

8 Interest payable and similar expenses

	2021 £000	2020 £000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	177	380
Other finance costs:		
Interest on finance leases and hire purchase contracts	90	36
Other interest	-	28
	<u> </u>	<u> </u>
Total finance costs	267	444
	<u> </u>	<u> </u>

9 Taxation

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	1,410	3
Adjustments in respect of prior periods	(7)	(43)
	<u> </u>	<u> </u>
Total current tax	1,403	(40)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(81)	184
Changes in tax rates	-	92
Adjustment in respect of prior periods	(35)	1
	<u> </u>	<u> </u>
Total deferred tax	(116)	277
	<u> </u>	<u> </u>
Total tax charge	1,287	237
	<u> </u>	<u> </u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation (Continued)

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

	2021 £000	2020 £000
Profit before taxation	6,787	677
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,290	129
Tax effect of expenses that are not deductible in determining taxable profit	17	103
Tax effect of income not taxable in determining taxable profit	(1)	(40)
Adjustments in respect of prior years	(7)	(43)
Effect of change in corporation tax rate	-	92
Other permanent differences	19	(5)
Deferred tax adjustments in respect of prior years	(35)	1
Deferred tax not recognised	4	-
Taxation charge	1,287	237

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 19% which was the tax rate substantively enacted at 31 March 2021.

10 Dividends

	2021 £000	2020 £000
Interim paid	90	310

The company paid dividends of £0.04 per share with dividend rights (2020 - £0.13 per share with dividend rights).

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Intangible fixed assets

Group	Goodwill	Negative goodwill	Other intangibles	Total
	£000	£000	£000	£000
Cost				
At 1 April 2020 and 31 March 2021	2,866	(404)	25	2,487
Amortisation and impairment				
At 1 April 2020	1,762	(404)	25	1,383
Amortisation charged for the year	99	-	-	99
At 31 March 2021	1,861	(404)	25	1,482
Carrying amount				
At 31 March 2021	1,005	-	-	1,005
At 31 March 2020	1,104	-	-	1,104

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

Group	Freehold buildings	Short leasehold land and buildings	Plant, vehicles and equipment	Total
	£000	£000	£000	£000
Cost				
At 1 April 2020	9,871	609	27,238	37,718
Additions	-	-	131	131
Disposals	-	-	(31)	(31)
At 31 March 2021	9,871	609	27,338	37,818
Depreciation and impairment				
At 1 April 2020	503	404	15,198	16,105
Depreciation charged in the year	61	42	1,156	1,259
Eliminated in respect of disposals	-	-	(17)	(17)
At 31 March 2021	564	446	16,337	17,347
Carrying amount				
At 31 March 2021	9,307	163	11,001	20,471
At 31 March 2020	9,368	205	12,040	21,613

The company had no tangible fixed assets at 31 March 2021 or 31 March 2020.

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	
	2021	2020	2021	2020
	£000	£000	£000	£000
Plant, vehicles and equipment	2,139	2,350	-	-

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

		Group		Company	
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Investments in subsidiaries	14	-	-	6,182	6,182

Movements in fixed asset investments Company

Shares in
group
undertakings
£000

Cost or valuation

At 1 April 2020 and 31 March 2021

6,182

Carrying amount

At 31 March 2021

6,182

At 31 March 2020

6,182

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 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	
	2021	2020	2021	2020
	£000	£000	£000	£000
Raw materials and consumables	276	613	-	-
Work in progress	94	38	-	-
Finished goods and goods for resale	11,158	20,246	-	-
	<u>11,528</u>	<u>20,897</u>	<u>-</u>	<u>-</u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Debtors

	Group	2020	Company	2020
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	45,424	36,496	-	-
Corporation tax recoverable	-	53	-	2
Amounts owed by group undertakings	-	-	-	3,047
Other debtors	1,689	685	272	505
Prepayments and accrued income	631	503	-	40
	<u>47,744</u>	<u>37,737</u>	<u>272</u>	<u>3,594</u>

17 Creditors: amounts falling due within one year

		Group	2020	Company	2020
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Bank loans	19	505	112	-	-
Obligations under finance leases	20	486	539	-	-
Other borrowings	19	4,000	-	-	-
Trade creditors		27,749	34,908	-	-
Amounts owed to group undertakings		-	-	2,865	7,248
Corporation tax payable		850	-	99	-
Other taxation and social security		1,649	1,166	38	38
Other creditors		9,187	18,775	-	3
Accruals and deferred income		3,997	2,464	814	26
		<u>48,423</u>	<u>57,964</u>	<u>3,816</u>	<u>7,315</u>

Included in other creditors is £9,167,000 (2020: £18,600,000) which is secured on the book debts of the group.

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

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Bank loans and overdrafts	19	5,081	813	-	-
Obligations under finance leases	20	767	1,229	-	-
Other borrowings	19	1,000	-	-	-
		<u>6,848</u>	<u>2,042</u>	<u>-</u>	<u>-</u>

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

Payable by instalments	3,063	365	-	-
	<u>3,063</u>	<u>365</u>	<u>-</u>	<u>-</u>

19 Borrowings

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Bank loans	5,586	925	-	-
Other loans	5,000	-	-	-
	<u>10,586</u>	<u>925</u>	<u>-</u>	<u>-</u>
Payable within one year	4,505	112	-	-
Payable after one year	6,081	813	-	-
	<u>6,081</u>	<u>813</u>	<u>-</u>	<u>-</u>

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.

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Future minimum lease payments due under finance leases:				
Less than one year	486	539	-	-
Between one and five years	767	1,229	-	-
	<u>1,253</u>	<u>1,768</u>	<u>-</u>	<u>-</u>

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.

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	Liabilities
	2021	2020
	£000	£000
Group		
Accelerated capital allowances	999	1,096
Tax losses	(60)	(37)
Capital gains	4	-
	<u>943</u>	<u>1,059</u>

The company has no deferred tax assets or liabilities.

	Group	Company
	2021	2021
	£000	£000
Movements in the year:		
Liability at 1 April 2020	1,059	-
Credit to profit or loss	(116)	-
	<u>943</u>	<u>-</u>

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Retirement benefit schemes

	2021	2020
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	388	311

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.

23 Share capital

	Group and company	
	2021	2020
	£000	£000
Ordinary share capital		
Issued and fully paid		
2,494,285 (2020: 2,253,327) Ordinary shares of 1p each	25	23
Nil (2020: 83,000) Ordinary 'B' shares of 1p each	-	1
Nil (2020: 158,000) Ordinary 'C' shares of 1p each	-	1
	25	25

On 9 February 2021, the company issued 1 Ordinary share with a nominal value of £0.01 for a premium of £7.90.

On 10 February 2021, the company reduced the issued share capital of £24,942.85 to £0.01 by the cancellation of the various share classes.

On 18 February 2021, the company issued 2,494,284 Ordinary shares with a nominal value of £0.01 at par.

Ordinary shares have voting dividend and capital rights but no redemption rights.

24 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 31 MARCH 2021

25 Cash (absorbed by)/generated from group operations

	2021 £000	2020 £000
Profit for the year after tax	5,500	440
Adjustments for:		
Taxation charged	1,287	237
Finance costs	267	444
Gain on disposal of tangible fixed assets	(8)	(115)
Amortisation and impairment of intangible assets	99	99
Depreciation and impairment of tangible fixed assets	1,259	1,170
Movements in working capital:		
Decrease in stocks	9,369	9,208
(Increase)/decrease in debtors	(10,035)	6,557
Decrease in creditors	(14,731)	(15,965)
Cash (absorbed by)/generated from operations	(6,993)	2,075

26 Analysis of changes in net debt - group

	1 April 2020 £000	Cash flows £000	31 March 2021 £000
Cash at bank and in hand	925	1,187	2,112
Borrowings excluding overdrafts	(925)	(9,661)	(10,586)
Obligations under finance leases	(1,768)	515	(1,253)
	(1,768)	(7,959)	(9,727)

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 2021 £000	2020 £000	Company 2021 £000	2020 £000
Within one year	426	454	-	-
Between one and five years	1,409	1,424	-	-
In over five years	2,453	2,788	-	-
	4,288	4,666	-	-

THE SEBDEN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

28 Controlling party

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