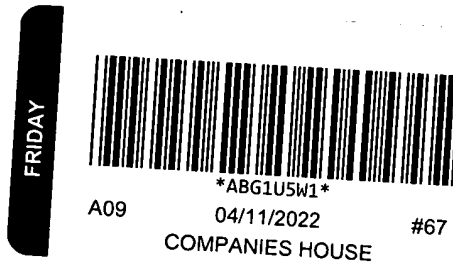


Company Registration No. 13181375 (England and Wales)

SEBDEN HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2022



SEBDEN HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R E Hill S J Hill M McCausland B J Sanders
Company number	13181375
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 2-4 St Ann's Square Manchester M2 7HD

SEBDEN HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present the strategic report and financial statements for the 14 month period ended ended 31 March 2022.

Fair review of the business

The directors are pleased with the result for the period, however, given the current economic outlook do not anticipate the present level of activity will be sustained over the next twelve months.

The financial statements represent a 14 month period from incorporation. During the period, a group reconstruction took place. The company acquired 100% of the share capital in The Sebden Group Limited and its subsidiaries.

Turnover is predominately derived from Sebden Steel Service Centres Limited and Albion Sections Limited, both of which have seen sales increase compared to the prior year due to a increase in volume and steel prices.

Principal risks and uncertainties

The directors do not feel that 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 the current conflict in Ukraine and the knock on effect to the UK economy . The company has prepared as much as possible for any impact to the business and will take 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 £51.443m. After tax, the profit of £40.956m 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. Dividends of £8,554k have been paid in the year.

Key performance indicators

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

	2022
Turnover	£326.2m
Gross Profit	£63.3m
Gross profit %	19.39%
Profit before tax	£51.4m
Stock	£31.9m
Net asset position	£41.4m

Going concern

The directors have considered the financial strength of the Group and 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.

SEBDEN HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

Streamlined energy and carbon reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force on 1 April 2019, imposing new obligations for quoted and large unquoted companies, to produce an Energy and Carbon Report; the primary purpose of which is to summarises the energy usage, associated emissions, energy efficiency actions and energy performances for inclusion in the annual Directors' Report, under Section 145A of the Companies Act 2006.

Details of the companies energy consumption and emissions of CO2 equivalent are given below:

Utility and Scope Consumption	Unit		tCo2e
Natural Gas (scope 1)	kWh	409,463	75.00
Kerosene (scope 1)	litres	62,753	159.40
Red Diesel (scope 1)	litres	41,858	115.47
LPG (scope 1)	kg	4,446	13.07
White Diesel (scope 1)	litres	3,400	8.54
Business Mileage - diesel cars (scope 1)	miles	6,653	7.19
Business Mileage - petrol cars (scope 1)	miles	5,972	6.93
			385.60
Electricity (scope 2)	kWh	2,211,378	469.54
Business Mileage - diesel cars (scope 3)	miles	13,236	14.31
Business Mileage - petrol cars (scope 3)	miles	19,046	22.11
			36.42
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 are :			
Tonnes of tCO2e per total square meterage of floor space			

SEBDEN HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

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 group, its stakeholders, employees and the strengthening of supplier and customer relationships.

This statement sets out how the directors of the group 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 group'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

Brad Sanders

.....
B J Sanders
Director

Date: 03/11/22
.....

SEBDEN HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the 14 month period ended 31 March 2022.

Principal activities

The principal activity of the company is that of a parent company and group is that of steel service centres and processors.

Incorporation

On 5 February 2021, the company was incorporated and issued 1 Ordinary share of £1 at par value.

On 19th February 2021, the company allotted 7,409,641 Ordinary Shares of £1 at par value, 355,413 Ordinary B Shares of £1 at par value and 1,247,893 Ordinary C Shares of £1 at par value.

Change of name

On 1 November 2021, the company changed it's name from Groco 405 Limited to Sebden Holdings Limited.

Acquisition

On 19 February 2021, the company acquired 100% of the issued share capital of The Sebden Group Limited for £19,700,000.

Reporting period

These financial statements have been prepared for a 14 month period from the date of incorporation, 5 February 2021 to 31 March 2022. The accounts are being presented for a period greater than one year to bring the group financial statements in line with other group companies' reporting dates. The period of trading reflected in these financial statements is from 19 February 2021 to 31 March 2022.

Results and dividends

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

Details of dividends are set out in note 9 of the accounts.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

R E Hill	(Appointed 5 February 2021)
S J Hill	(Appointed 20 July 2022)
M McCausland	(Appointed 20 July 2022)
B J Sanders	(Appointed 5 February 2021)

Strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Group (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, including principle risks and uncertainties.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

SEBDEN HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a 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 group'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 group's auditor is aware of that information.

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 contracts to mitigate its exchange rate 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.

On behalf of the board

Brad Sanders

.....
B J Sanders
Director

Date: 03/11/22
.....

SEBDEN HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022

The directors are responsible for preparing the Strategic Report and the 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 group and company, 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Sebden Holdings Limited (the 'parent company') and its subsidiaries (the "group") for the period ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2022 and of the group's profit for the period 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 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 SEBDEN HOLDINGS 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 framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- 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 SEBDEN HOLDINGS 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. In addition to this, the audit team have evaluated 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. A review of the company's revenue recognition policy has been preformed and its 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

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

.....
04/11/22

SEBDEN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	14 month period ended 31 March 2022 £000
Turnover	3	326,236
Cost of sales		(263,310)
Gross profit		<u>62,926</u>
Administrative expenses		(11,414)
Other operating income		224
Operating profit	6	<u>51,736</u>
Interest payable and similar expenses	8	(293)
Profit before taxation		<u>51,443</u>
Tax on profit	9	(10,487)
Profit for the financial period		<u><u>40,956</u></u>

Profit for the financial period is all attributable to the owners of the parent company and represents the acquired activities of the group.

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

SEBDEN HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Notes	2022	
		£000	£000
Fixed assets			
Negative goodwill	11		(629)
Tangible assets	12		20,307
Current assets			
Stocks	16	31,875	
Debtors	17	88,613	
Cash at bank and in hand		2,361	
		<u>122,849</u>	
Creditors: amounts falling due within one year	18	<u>(89,824)</u>	
Net current assets			<u>33,025</u>
Total assets less current liabilities			<u>52,703</u>
Creditors: amounts falling due after more than one year	19		(9,792)
Provisions for liabilities	22		(1,496)
Net assets			<u><u>41,415</u></u>
Capital and reserves			
Called up share capital	24		9,013
Profit and loss reserves	25		32,402
Total equity			<u><u>41,415</u></u>

03/11/22

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

Brad Sanders

.....
B J Sanders
Director

SEBDEN HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Notes	2022 £000	£000
Fixed assets			
Investments	13		47,893
Current assets			
Debtors	17	100	
Cash at bank and in hand		10	
		<u>110</u>	
Creditors: amounts falling due within one year	18	(6,965)	
Net current liabilities			<u>(6,855)</u>
Total assets less current liabilities			41,038
Creditors: amounts falling due after more than one year	19		(4,617)
Net assets			<u><u>36,421</u></u>
Capital and reserves			
Called up share capital	24		9,013
Profit and loss reserves	25		27,408
Total equity			<u><u>36,421</u></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 £35,962,706.

The financial statements were approved by the board of directors and authorised for issue on 03/11/22 and are signed on its behalf by:

Brad Sanders

.....
B J Sanders
Director

SEBDEN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Period ended 31 March 2022:				
Profit and total comprehensive income for the period		-	40,956	40,956
Issue of share capital	24	9,013	-	9,013
Dividends	10	-	(8,554)	(8,554)
Balance at 31 March 2022		<u>9,013</u>	<u>32,402</u>	<u>41,415</u>

SEBDEN HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Period ended 31 March 2022:				
Profit and total comprehensive income for the period		-	35,962	35,962
Issue of share capital	24	9,013	-	9,013
Dividends	10	-	(8,554)	(8,554)
Balance at 31 March 2022		<u>9,013</u>	<u>27,408</u>	<u>36,421</u>

SEBDEN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	2022 £000	£000
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	26		38,188
Interest paid			(293)
Income taxes paid			(7,471)
Net cash inflow/(outflow) from operating activities			<u>30,424</u>
Investing activities			
Business acquisitions less cash received		(4,492)	
Purchase of tangible fixed assets		(1,511)	
Disposal of tangible fixed assets		114	
Net cash used in investing activities			<u>(5,889)</u>
Financing activities			
Repayment of borrowings		755	
Proceeds from new borrowings		(606)	
Repayment of bank loans		(14,533)	
Payment of finance leases obligations		764	
Dividends paid		(8,554)	
Net cash used in financing activities			<u>(22,174)</u>
Net increase in cash and cash equivalents			<u>2,361</u>
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			<u><u>2,361</u></u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

Company information

Sebden Holdings 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 Sebden Holdings 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' ('FRS102') and the requirement 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;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Sebden Holdings 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 2022. 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.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Going concern

The directors have considered the financial strength and available headroom of the company and believe they will continue 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 Company 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 period of trading reflected in these financial statements is from 19 February 2021 to 31 March 2022. The accounts are being presented for a period greater than one year to bring the Company and Group financial statements in line with other group companies' reporting dates.

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

Negative goodwill represents the excess of the fair value of the assets acquired over and above the cost of acquisition related to that asset. Amounts up to the fair value of the non-monetary assets acquired through business combinations are released over the periods in which the assets' fair values are recovered. Any excess over those amounts is released in the periods in which the economic benefit is expected to be received or if this can not be accurately assessed over a period not exceeding 10 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	Equally over the period of the lease
Plant 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 entities 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.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies (Continued)

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.

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, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies (Continued)

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 and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

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 proceeds received, net of transaction 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.

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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 2022 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.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provision

The directors have made judgements in respect of the recoverable value of finished goods and made provision for any possible slow moving/obsolete stock.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

3 Turnover and other revenue

	14 month period ended 31 March 2022 £000
Turnover analysed by class of business	
Sale of goods	326,236
	<u> </u>
	<u> </u>
	14 month period ended 31 March 2022 £000
Other revenue	
Grants received	214
	<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 Employees

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

	Group 2022 Number	Company 2022 Number
Production	107	-
Administrative	76	-
Directors	2	2
	<u> </u>	<u> </u>
Total	185	2
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £000	Company 2022 £000
Wages and salaries	15,692	-
Social security costs	1,641	-
Pension costs	543	-
	<u> </u>	<u> </u>
	17,876	-
	<u> </u>	<u> </u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

5	Directors' remuneration	2022
		£000
	Remuneration for qualifying services	1,987
	Company pension contributions to defined contribution schemes	6
		<u>1,993</u>
6	Operating profit	14 month period ended 31 March 2022 £000
	Operating profit for the period is stated after charging/(crediting):	
	Government grants	(214)
	Depreciation of owned tangible fixed assets	1,641
	Depreciation of tangible fixed assets held under finance leases	139
	Loss on disposal of tangible fixed assets	1
	Amortisation of intangible assets	(26)
	Release of negative goodwill	(1,794)
	Operating lease charges	1,061
		<u>1,061</u>
7	Auditor's remuneration	14 month period ended 31 March 2022 £000
	Fees payable to the company's auditor and associates:	
	For audit services	
	Audit of the financial statements of the group and company	7
	Audit of the financial statements of the company's subsidiaries	31
		<u>38</u>
	For other services	
	Accountancy services	11
	Taxation compliance services	15
	Tax advisory	23
	All other non-audit services	16
		<u>65</u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

8 Interest payable and similar expenses

	14 month period ended 31 March 2022 £000
Interest on bank overdrafts and loans	63
Interest on finance leases and hire purchase contracts	70
Other interest	160
	<hr/>
Total finance costs	293
	<hr/> <hr/>

9 Taxation

	14 month period ended 31 March 2022 £000
Current tax	
UK corporation tax on profits for the current period	9,951
Adjustments in respect of prior periods	9
	<hr/>
Total current tax	9,960
	<hr/> <hr/>
Deferred tax	
Origination and reversal of timing differences	171
Changes in tax rates	271
Other adjustments	85
	<hr/>
Total deferred tax	527
	<hr/> <hr/>
Total tax charge	10,487
	<hr/> <hr/>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

9 Taxation (Continued)

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

	14 month period ended 31 March 2022 £000
Profit before taxation	51,443
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	9,774
Tax effect of expenses that are not deductible in determining taxable profit	979
Tax effect of income not taxable in determining taxable profit	(666)
Adjustments in respect of prior years	10
Effect of change in corporation tax rate	61
Under/(over) provided in prior years	(1)
Deferred tax adjustments in respect of prior years	307
Chargeable gains/(losses)	2
Fixed asset differences	(42)
Movement in deferred tax not recognised	63
Taxation charge	10,487

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 25% which was the tax rate substantively enacted at 31 December 2022.

10 Dividends

	14 month period ended 31 March 2022 £000
Recognised as distributions to equity holders:	
Final paid	8,554

The group paid dividends of £0.95 per share.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

11 Intangible fixed assets

Group	Negative goodwill £000
Cost	
Additions - business combinations	(2,423)
At 31 March 2022	<u>(2,423)</u>
Amortisation and impairment	
Amortisation charged for the period	(1,794)
At 31 March 2022	<u>(1,794)</u>
Carrying amount	
At 31 March 2022	<u><u>(629)</u></u>

The company had no intangible fixed assets at 31 March 2022.

12 Tangible fixed assets

Group	Freehold land and buildings £000	Leasehold land and buildings £000	Plant and equipment £000	Total £000
Cost				
Additions	422	40	1,049	1,511
Business combinations	9,307	174	11,209	20,690
Disposals	-	-	(912)	(912)
At 31 March 2022	<u>9,729</u>	<u>214</u>	<u>11,346</u>	<u>21,289</u>
Depreciation and impairment				
Depreciation charged in the period	483	50	1,247	1,780
Eliminated in respect of disposals	-	-	(798)	(798)
At 31 March 2022	<u>483</u>	<u>50</u>	<u>449</u>	<u>982</u>
Carrying amount				
At 31 March 2022	<u><u>9,246</u></u>	<u><u>164</u></u>	<u><u>10,897</u></u>	<u><u>20,307</u></u>

The company had no tangible fixed assets at 31 March 2022.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £139,000 for the period.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2022 £000	Company 2022 £000
Plant and equipment	1,251	-
	<u> </u>	<u> </u>

13 Fixed asset investments

	Notes	Group 2022 £000	Company 2022 £000
Investments in subsidiaries	14	-	47,893
		<u> </u>	<u> </u>

Movements in fixed asset investments Company

	Shares in group undertakings £000
Cost or valuation	
At 5 February 2021	-
Additions	47,893
	<u> </u>
At 31 March 2022	47,893
	<u> </u>
Carrying amount	
At 31 March 2022	47,893
	<u> </u>

On 19 February 2021 the company acquired the issued capital of the companies, detailed in note 15, in a group reconstruction.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Sebden Steel Quest Ltd	(i)	Dormant	Ordinary	100.00	-
Sebden Steel PST Ltd	(i)	Dormant	Ordinary	100.00	-
B&D Steel Ltd	(i)	Dormant	Ordinary	100.00	-
B&D Steel Services Ltd	(i)	Dormant	Ordinary	100.00	-
Seren Steel (Midlands) Ltd	(i)	Dormant	Ordinary	100.00	-
Seren Steel (South Wales) Ltd	(i)	Dormant	Ordinary	100.00	-
The Sebden Group Ltd	(i)	Wholesale of metal and ores	Ordinary	100.00	-
B&S Steel Lothian Ltd	(i)	Dormant	Ordinary	-	100.00
Cobco 939 Ltd	(i)	Dormant	Ordinary	-	100.00
Bytecomm Ltd	(i)	Dormant	Ordinary	-	100.00
Albion Sections Ltd	(ii)	Manufacturing for the construction and engineering industries	Ordinary	100.00	-
Sebden Steel Service Centres Ltd	(i)	Steel service centres and processors	Ordinary	100.00	-
B&D Steel Southern Ltd	(i)	Dormant	Ordinary	-	100.00
E Gerald Steel Ltd	(i)	Dormant	Ordinary	-	100.00
Sebden Steel Ltd	(i)	Dormant	Ordinary	100.00	-
Structural Systems Ltd	(ii)	Design, fabrication and installation of steelwork	Ordinary	-	100.00
Cobco (236) Ltd	(i)	Property holding company	Ordinary	100.00	-
RB Iron & Steel Co Ltd	(i)	Dormant	Ordinary	-	100.00

(i) Craven House Craven Road, Broadheath, Altrincham, Cheshire, WA14 5HE

(ii) 2 Albion Road, West Bromwich, England, B70 8BD

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

15 Acquisition

On 19 February 2021 the group acquired 100% percent of the issued capital of The Sebden Group Limited, including its subsidiaries, for consideration of £19,700,000.

Net assets acquired	Book Value £000	Adjustments £000	Fair Value £000
Property, plant and equipment	20,690	-	20,690
Inventories	16,416	-	16,416
Trade and other receivables	35,950	-	35,950
Cash and cash equivalents	972	-	972
Bank loans	(19,023)	-	(19,023)
Trade and other payables	(32,059)	-	(32,059)
Deferred tax	(823)	-	(823)
Total identifiable net assets	<u>22,123</u>	<u>-</u>	<u>22,123</u>
Goodwill			<u>(2,423)</u>
Total consideration			<u>19,700</u>

The consideration was satisfied by:	£000
Cash	5,464
Issue of shares	9,013
Issue of loan notes	5,223
	<u>19,700</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	326,286
Profit after tax	<u>40,956</u>

16 Stocks

	Group 2022 £000	Company 2022 £000
Raw materials and consumables	449	-
Work in progress	59	-
Finished goods and goods for resale	31,367	-
	<u>31,875</u>	<u>-</u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

17 Debtors

	Group 2022 £000	Company 2022 £000
Amounts falling due within one year:		
Trade debtors	68,310	1
Corporation tax recoverable	10	-
Amounts owed by group undertakings	-	99
Other debtors	19,460	-
Prepayments and accrued income	833	-
	<u>88,613</u>	<u>100</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2022 £000	Company 2022 £000
Bank loans	20	502	-
Obligations under finance leases	21	332	-
Other borrowings	20	1,000	-
Trade creditors		70,686	-
Amounts owed to group undertakings		-	5,313
Corporation tax payable		2,353	-
Other taxation and social security		1,885	-
Other creditors		1,945	1,652
Accruals and deferred income		11,121	-
		<u>89,824</u>	<u>6,965</u>

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

At the year end, there was a balance of £54,000 held in other tax and social security in respect of pension commitments.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £000	Company 2022 £000
Bank loans	20	4,743	-
Obligations under finance leases	21	432	-
Other creditors		4,617	4,617
		<u>9,792</u>	<u>4,617</u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

19 Creditors: amounts falling due after more than one year (Continued)

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

The loan is repayable in monthly instalments of £41,873 which includes interest. Interest is charged at a margin over Bank of England Base Rate.

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

	Group 2022 £000	Company 2022 £000
Payable by instalments	2,733	-

20 Borrowings

	Group 2022 £000	Company 2022 £000
Bank loans	5,245	-
Other loans	1,000	-
	<u>6,245</u>	<u>-</u>
Payable within one year	1,502	-
Payable after one year	4,743	-
	<u>6,245</u>	<u>-</u>

Other loans totalling £1,000,000 are partially guaranteed by the UK Government under the Coronavirus Business Interruption (CBIL) Scheme.

The CBIL is repayable in 2 monthly instalments of £333,333 with a final repayment of £333,334.

There is a debenture including a fixed charge over all present freehold and leasehold property; a 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.

In addition there is an unlimited Multilateral Guarantee dated 15 July 2013 given by The Sebden Group Limited, Sebden Steel Services Centres Limited, Albion Sections Limited, Eterniti Steels Limited, Cobco (236) Limited and a first legal charge dated 12 September 2014 over freehold property known as Unit 7, Langthwaite Road, Langthwaite Grange Industrial Estate.

21 Finance lease obligations

	Group 2022 £000	Company 2022 £000
Future minimum lease payments due under finance leases:		
Less than one year	332	-
Between one and five years	432	-
	<u>764</u>	<u>-</u>

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

21 Finance lease obligations (Continued)

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.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2022 £000
Accelerated capital allowances	1,492
Capital gains	4
	<u>1,496</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £000	Company 2022 £000
Movements in the period:		
Liability/(Asset) at 5 February 2021	-	-
Charge to profit or loss	528	-
Other movement	145	-
Acquired on business combination	823	-
	<u>1,496</u>	<u>-</u>
Liability at 31 March 2022	<u>1,496</u>	<u>-</u>

23 Retirement benefit schemes

	2022 £000
Defined contribution schemes	£000
Charge to profit or loss in respect of defined contribution schemes	495
	<u>495</u>

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

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

24 Share capital

	Group and Company	
	2022	2022
Ordinary share capital Issued and fully paid	Number	£000
Ordinary Shares of £1 each	7,409,641	7,410
Ordinary B Shares of £1 each	355,413	355
Ordinary C Shares of £1 each	1,247,893	1,248
	<u>9,012,947</u>	<u>9,013</u>

On 5 February 2021, the company was incorporated and issued 1 Ordinary share of £1.

On 19th February 2021, the company issued 7,409,641 Ordinary Shares of £1, 355,413 Ordinary B Shares of £1 and 1,247,893 Ordinary C Shares of £1.

Ordinary Shares carry voting, dividend and capital rights but no redemption rights.

Ordinary B Shares carry capital rights but no voting, dividend or redemption rights.

Ordinary C Shares carry voting, dividend and capital rights but no redemption rights.

25 Reserves

Profit and loss reserves

Profit and loss reserves represent earnings net of distributions to the owners.

26 Cash generated from/(absorbed by) group operations

	2022
	£000
Profit for the period after tax	40,956
Adjustments for:	
Taxation charged	10,487
Finance costs	253
Investment income	40
Loss on disposal of tangible fixed assets	1
Amortisation and impairment of intangible assets	(1,794)
Depreciation and impairment of tangible fixed assets	1,780
Movements in working capital:	
Increase in stocks	(15,459)
Increase in debtors	(52,653)
Increase in creditors	54,577
Cash generated from/(absorbed by) operations	<u>38,188</u>

All cash flows relate to the acquired business.

SEBDEN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

27 Analysis of changes in net debt - group

	5 February 2021 £000	Cash flows £000	Acquisitions and disposals £000	31 March 2022 £000
Cash at bank and in hand	-	645	1,716	2,361
Borrowings excluding overdrafts	-	18,756	(25,001)	(6,245)
Obligations under finance leases	-	-	(764)	(764)
	<u>-</u>	<u>19,401</u>	<u>(24,049)</u>	<u>(4,648)</u>

28 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 2022 £000	Company 2022 £000
Within one year	381	-
Between one and five years	1,376	-
In over five years	2,132	-
	<u>3,889</u>	<u>-</u>

29 Related party transactions

As part of the group reconstruction, loan notes of £2,400,244 were issued in favour of the directors of the company and family members and were outstanding at year end.

30 Controlling party

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