

Company Registration No. 02395079 (England and Wales)

SIDERISE (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SIDERISE (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	S C Swales	
	C Pavett	(Appointed 14 December 2020)
	A M Turk	(Appointed 14 December 2020)

Company number	02395079
-----------------------	----------

Registered office	Siderise Forge Industrial Estate Nantyffyllon Maesteg Mid Glamorgan United Kingdom CF34 0AH
--------------------------	--

Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB
----------------	---

SIDERISE (HOLDINGS) LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 22

SIDERISE (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The company and its subsidiaries continue to operate in the United Kingdom with contacts worldwide. The principal activity of its subsidiaries is the buying, manufacturing and selling of acoustic, thermal and fire insulation solutions.

Principal risks and uncertainties

Compliance with regulations, legal and ethical standards

The Group engages in regular testing of its products and is committed to achieving the highest levels of integrity in all that it does. The Group is also represented on external committees overseeing the standard setting and development processes.

Credit Risk

The Group's credit risk is almost entirely attributable to its trade receivables. During 2020 we moved to insuring the majority of our credit risk through Attradius, and now have some 95% of all trade receivables insured. Outside of this, provision is made immediately for any doubtful debts and the amounts presented in the balance sheet are net of these provisions. All credit accounts are credit checked using reputable agencies, and the Group's approach to giving credit is cautious. The Group has no significant concentration of credit risk, with exposure spread over a number of customers.

Covid-19

In light of the situation arising in the UK and globally in respect of Covid-19 and the measures taken by the UK Government to contain the virus, the day to day operations of the business have seen some disruption. We closed our plant in line with Government advice in March 2020 for some six weeks, before re-opening with all appropriate social distancing and employee testing measures in place which then allowed us to manufacture without further interruption throughout the pandemic. Whilst the full extent of the impact of Covid-19 is unclear and in particular with regard to the Group's customers and suppliers, the directors have taken steps, based on the information that is currently known, to manage the Group's cash flow requirements during this period of uncertainty and to enable the Group to meet its obligations as they fall due.

Future Developments

The Group has strong prospects for growth as a market leader working in a very busy part of the UK construction sector, particularly with all of the work underway to remediate cladding works which is where our core products are used. We have new products to launch into the market during 2021 to enable us to address wider applications and markets, and our overseas ambition remains with the addition of a small office in Singapore at the start of the year allowing us to spread our coverage across the Asia Pacific region. Whilst the impact of the Covid-19 pandemic together with the effects of Brexit hampered early 2021 trading, the directors are confident that once all restrictions are lifted, strong demand will return and that the Group will achieve its expected levels of trading in 2021.

On behalf of the board

A M Turk

Director

30 June 2021

SIDERISE (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of holding the shares of subsidiary companies and to provide management services to those subsidiaries.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

S C Swales

A R James

C Pavett

A M Turk

(Resigned 31 December 2020)

(Appointed 14 December 2020)

(Appointed 14 December 2020)

Auditor

On 7 September 2020 Group Audit Service Limited trading as Baldwins Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A M Turk

Director

30 June 2021

SIDERISE (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual 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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SIDERISE (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIDERISE (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Siderise (Holdings) Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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.

SIDERISE (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SIDERISE (HOLDINGS) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SIDERISE (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SIDERISE (HOLDINGS) LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Laura Farrow MSc BSc FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

30 June 2021

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

SIDERISE (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	1,282,798	1,232,401
Administrative expenses		(1,211,600)	(1,386,459)
Other operating income		47,254	45,948
Operating profit/(loss)	4	118,452	(108,110)
Interest receivable and similar income	7	52	3,869,567
Profit before taxation		118,504	3,761,457
Tax on profit	8	(43,957)	(9,239)
Profit for the financial year		74,547	3,752,218

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SIDERISE (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Profit for the year	74,547	3,752,218
Other comprehensive income		
Increase in value of subsidiaries	4,889,526	4,342,069
Total comprehensive income for the year	<u>4,964,073</u>	<u>8,094,287</u>

SIDERISE (HOLDINGS) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10	1,589,138		1,380,256	
Investments	11	15,849,566		10,960,040	
		17,438,704		12,340,296	
Current assets					
Debtors	13	10,932,867		11,182,549	
Cash at bank and in hand		444,543		45,569	
		11,377,410		11,228,118	
Creditors: amounts falling due within one year	14	(2,001,507)		(1,761,837)	
Net current assets		9,375,903		9,466,281	
Total assets less current liabilities		26,814,607		21,806,577	
Provisions for liabilities					
Deferred tax liability	15	43,957		-	
			(43,957)		-
Net assets		26,770,650		21,806,577	
Capital and reserves					
Called up share capital	17	972		972	
Share premium account		19,021		19,021	
Revaluation reserve		16,197,557		11,308,031	
Capital redemption reserve		125		125	
Profit and loss reserves		10,552,975		10,478,428	
Total equity		26,770,650		21,806,577	

The financial statements were approved by the board of directors and authorised for issue on 30 June 2021 and are signed on its behalf by:

A M Turk
Director

Company Registration No. 02395079

SIDERISE (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		972	19,021	6,965,962	125	7,409,542	14,395,622
Year ended 31 December 2019:							
Profit for the year		-	-	-	-	3,752,218	3,752,218
Other comprehensive income:							
Increase in value of subsidiaries		-	-	4,342,069	-	-	4,342,069
Total comprehensive income for the year		-	-	4,342,069	-	3,752,218	8,094,287
Dividends	9	-	-	-	-	(683,332)	(683,332)
Balance at 31 December 2019		972	19,021	11,308,031	125	10,478,428	21,806,577
Year ended 31 December 2020:							
Profit for the year		-	-	-	-	74,547	74,547
Other comprehensive income:							
Increase in value of subsidiaries		-	-	4,889,526	-	-	4,889,526
Total comprehensive income for the year		-	-	4,889,526	-	74,547	4,964,073
Balance at 31 December 2020		972	19,021	16,197,557	125	10,552,975	26,770,650

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Siderise (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Siderise Forge Industrial Estate, Nantyllyllon, Maesteg, Mid Glamorgan, United Kingdom, CF34 0AH.

1.1 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.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This 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:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': 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, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Obice TopCo Limited. These consolidated financial statements are available from its registered office, Nantyllyllon, Maesteg, CF34 0AH.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Siderise (Holdings) Limited is a wholly owned subsidiary of Siderise Group Limited and the results of Siderise (Holdings) Limited are included in the consolidated financial statements of Obice Topco Limited which are available from Nantyllyllon, Maesteg, CF34 0AH.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. In making their assessment the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered facilities that are in place at the date of signing the report.

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 the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.4 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 land and buildings	2% - 4% on Cost
Fixtures and fittings	25% Reducing Balance
Computers	25% Reducing Balance

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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverses a loss previously recognised in profit or loss, or a loss exceeds the accumulated gains recognised in equity; such gains and losses are recognised in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Investments in subsidiary undertakings have been valued on the basis of net asset value as reflected in the subsidiary companies balance sheets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Turnover and other revenue

	2020	2019
	£	£
Other significant revenue		
Interest income	52	2,677
Dividends received	-	3,866,890
Grants received	1,306	-
	<u> </u>	<u> </u>

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	5,000
Depreciation of owned tangible fixed assets	47,769	46,044
	<u> </u>	<u> </u>

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

2020 Number	2019 Number
8	9

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	626,158	715,642
Social security costs	110,430	99,885
Pension costs	40,731	38,550
	<u>777,319</u>	<u>854,077</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	150,832	560,100
Company pension contributions to defined contribution schemes	14,502	-
	<u>165,334</u>	<u>560,100</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	<u>n/a</u>	<u>159,423</u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	52	2,677
Income from fixed asset investments		
Income from shares in group undertakings	-	3,866,890
Total income	52	3,869,567

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	-	9,239
Deferred tax		
Origination and reversal of timing differences	43,957	-
Total tax charge	43,957	9,239

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	118,504	3,761,457
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	22,516	714,677
Tax effect of expenses that are not deductible in determining taxable profit	11,468	29,271
Change in unrecognised deferred tax assets	(8,353)	-
Effect of change in corporation tax rate	(983)	-
Group relief	19,309	-
Dividend income	-	(734,709)
Taxation charge for the year	43,957	9,239

9 Dividends

	2020 £	2019 £
Interim paid	-	683,332

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2020	1,624,991	49,414	-	1,674,405
Additions	-	6,626	250,025	256,651
At 31 December 2020	1,624,991	56,040	250,025	1,931,056
Depreciation and impairment				
At 1 January 2020	251,250	42,899	-	294,149
Depreciation charged in the year	45,036	2,733	-	47,769
At 31 December 2020	296,286	45,632	-	341,918
Carrying amount				
At 31 December 2020	1,328,705	10,408	250,025	1,589,138
At 31 December 2019	1,373,741	6,515	-	1,380,256

11 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	12	15,849,566	10,960,040

Fixed asset investments revalued

Investments in subsidiary undertakings have been valued on the basis of net asset value as reflected in the subsidiary companies balance sheet.

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2020	10,960,040
Valuation changes	4,889,526
At 31 December 2020	15,849,566
Carrying amount	
At 31 December 2020	15,849,566
At 31 December 2019	10,960,040

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Subsidiaries

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

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Siderise Insulation Limited	[1]	Ordinary	100.00	0
Siderise (Special Products) Limited	[1]	Ordinary	100.00	0
Siderise Limited (Dormant)	[1]	Ordinary	100.00	0
Lamantherm Products Limited (Dormant)	[1]	Ordinary	100.00	0
Siderise Middle East FZE	[2]	Ordinary	0	100.00
Siderise (Asia Pacific) PTE. Ltd.	[3]	Ordinary	0	100.00

Registered office addresses (all UK unless otherwise indicated):

- [1] Forge Industrial Estate, Nantyllyllon, Maesteg, Wales, CF34 0AH
- [2] Citadel Tower, Marasi Dr, Dubai, UAE
- [3] 80 Robinson Road, 02 00, Singapore 068898

13 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	-	1,153
Amounts owed by group undertakings	10,893,111	11,163,707
Other debtors	-	1,000
Prepayments and accrued income	39,756	16,689
	<u>10,932,867</u>	<u>11,182,549</u>

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	45,838	33,761
Amounts owed to group undertakings	1,681,410	1,432,510
Corporation tax	-	9,239
Other taxation and social security	151,230	131,844
Other creditors	20,476	-
Accruals and deferred income	102,553	154,483
	<u>2,001,507</u>	<u>1,761,837</u>

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	49,343	-
Tax losses	(4,703)	-
Retirement benefit obligations	(683)	-
	<u>43,957</u>	<u>-</u>
		2020
Movements in the year:		£
Liability at 1 January 2020		-
Charge to profit or loss		43,957
		<u>43,957</u>
Liability at 31 December 2020		<u>43,957</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	40,731	38,550
	<u>40,731</u>	<u>38,550</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.1p each	972,220	972,220	972	972
	<u>972,220</u>	<u>972,220</u>	<u>972</u>	<u>972</u>

18 Financial commitments, guarantees and contingent liabilities

A fixed charge was created on 25th June 2019 in favour of HSBC over the freehold properties of the company.

A floating charge was created on the same date in favour of HSBC UK Bank Plc over all assets and undertakings of the company.

SIDERISE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Operating lease commitments

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

	2020	2019
	£	£
Within one year	102,471	109,276
Between two and five years	53,756	61,897
	<hr/>	<hr/>
	156,227	171,173
	<hr/>	<hr/>

20 Ultimate controlling party

The ultimate parent company at the year end was Obice Topco Limited.

The ultimate controlling party of the group is H2 Private Equity on the basis of its majority shareholding of the group's ultimate parent company Obice Topco Limited.

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