

# Rainham Steel Holdings Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

# Rainham Steel Holdings Limited

## Company Information

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<b>Directors</b>	T. Webb K. F. Ives A. M. Chapman J. R. Dixon	(Appointed 11 April 2022)
<b>Company number</b>	04385487	
<b>Registered office</b>	Orbital House 20 Eastern Road Romford Essex RM1 3PJ	
<b>Auditors</b>	THP Limited Chartered Accountants and Statutory Auditor 34-40 High Street Wanstead London E11 2RJ	
<b>Business address</b>	Steel Approach Rainham Essex RM13 9PF	
<b>Bankers</b>	National Westminster Bank Plc PO Box 98 132 High Street Southend-on-Sea Essex SS1 1BA	

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# Rainham Steel Holdings Limited

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# Rainham Steel Holdings Limited

## Strategic Report

For the year ended 31 March 2022

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The directors present the strategic report for the year ended 31 March 2022.

### Principal activities

The principal activity of the group throughout the year was that of steel stockholding and distribution.

Rainham Steel specialises in the supply of universal beams and columns, parallel flange channels, angles, hollow sections and reinforcing products to a diverse range of industries. Our customers include steel stockholders, structural engineers, steel fabricators, construction companies, civil engineers, house builders and groundwork contractors.

We stock over 140,000 tonnes of structural steel products at our Scunthorpe sites, North Lincolnshire, from where we service the UK, European and world markets. We also have a purpose-built processing facility offering customers the option of shot-blasting, painting, drilling and cutting. Our large modern fleet of heavy goods vehicles enable us to deliver throughout the UK normally within 24 hours.

### Review of the business

The UK steel market has seen substantial price volatility this year with the cost of steel rising consistently throughout the year. The effect of this price trend, along with a significant increase in demand for our products, has resulted in an unprecedented increase in the group's turnover for the year to 31 March 2022.

The group maintains a comprehensive range of stock and continues to concentrate on buying stock at the right price and at the right time. This year has seen continued investment in storage facilities and equipment at our state-of-the-art Scunthorpe distribution facility and our other sites in the immediate vicinity. Following the expansion of the group's operations at Rainham, Essex output from this facility has contributed to the profitable result for the year and the group has a very strong order book leading into the next financial year.

At the balance sheet date the group had net assets of £62,491,364 (2021: £55,135,513) reflecting the solid position of the group from a solvency and liquidity point of view.

### Principal risks and uncertainties

The directors consider that the group continues to be in strong position moving forward into 2022/23. The risks and uncertainties faced by the group continue to be generated by external market factors, principally the worldwide cost of raw materials and energy prices to steel producers. The effect of Brexit and steel quotas generally continue to have an effect on day to day business and adds to the complexities of trading in a market that remains fiercely competitive. The directors have therefore decided to maintain sufficient stock levels to safeguard against the uncertainties caused by the tariffs and quotas that remain in place.

The group's geographic location, buying strengths and stock management enable it to continue to thrive under these difficult market conditions.

# Rainham Steel Holdings Limited

## Strategic Report (Continued)

For the year ended 31 March 2022

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### **Financial risk management**

The group's financial risk factors are set out below.

#### *Credit risk*

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### *Foreign currency risk*

The group's principal foreign currency exposures arise from trading with overseas companies. The group enters into forward currency contracts in order to minimise its exposure to currency fluctuations arising with overseas customers and suppliers.

#### *Interest rate risk*

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

#### *Liquidity risk*

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

# Rainham Steel Holdings Limited

## Strategic Report (Continued)

For the year ended 31 March 2022

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### Key performance indicators

Turnover has increased to £255,105,238 for the year ending 31 March 2022, compared with £129,431,553 for the previous year. The increase in the sales value is primarily due to the rising price of steel throughout the year and an increase in the underlying volume of products sold where the group has seen a gain on its market share compared to last year.

The gross profit margin, which is the group's key performance indicator, increased during the year due to the significant rise in sales price per tonne throughout the financial period. Overall gross profit increased to £88,854,888 compared with £32,966,013 in the previous year.

### Future developments

The trend of rising sales prices has stabilised into the start of the year ending 31 March 2023. However, the group remains on target to achieve similar if not better results for 2022/23 when compared to the 2021/22 result.

### Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

The directors of the company and of the group must act in accordance with a set of general duties. These duties are detailed in Section 172 of the Companies Act 2006 which is summarised as follows:

"A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company."

The following paragraphs summarise how the directors fulfil their duties:

# Rainham Steel Holdings Limited

## Strategic Report (Continued)

For the year ended 31 March 2022

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### **Risk Management**

The long-term success of the business is continually managed by identifying, evaluating, managing the risks encountered by the business and ensuring appropriate measures are in place to mitigate those risks. More details on these can be found stated earlier in this Strategic Report.

### **Our people**

Our workforce is key to our business and for our business to continue to succeed we need to manage performance and develop and encourage talent, whilst ensuring the business operates as efficiently and effectively as possible. The directors place the health, safety and wellbeing of our people at the forefront of all decisions.

### **Business Relationships**

The directors and key senior management maintain good working relationships with suppliers, customers and other strategic partners to ensure our business can continue to be effective and successful. Regular contact is maintained throughout the year to ensure we have a better understanding of our customers' requirements and we aim to settle our suppliers promptly to obtain the best possible terms and support.

### **Community and Environment**

We appreciate that, most of all, business operations have an impact on the community and the environment. The directors ensure that operations have no harmful impact on either of these. We work closely with local bodies and any regulatory body to ensure compliance and make changes to our operations to the benefit of the community and environment where possible.

### **High Standards of Business Conduct**

The conduct of our employees is closely monitored by the directors and the wider management team to make sure the business conducts itself in a responsible manner in all activities. High standards are expected throughout our business and the group responds proactively to all feedback it receives.

### **Shareholders**

The board is committed to openly engaging with our shareholders. It is important for the business that shareholders understand our strategy and objectives so these must be explained clearly with any issues and feedback properly considered.

On behalf of the board

T. Webb

**Director**

22 December 2022

# Rainham Steel Holdings Limited

## Directors' Report

For the year ended 31 March 2022

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

### Directors

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

T. Webb	
R. J. Carr	(Resigned 11 April 2022)
K. F. Ives	
A. M. Chapman	
J. R. Dixon	(Appointed 11 April 2022)

### Results and dividends

The results for the year are set out on page 13.

The directors do not propose the payments of any dividends.

### Political donations

There were no donations to political parties during the year.

### Research and development

The group did not carry out any research and development activities in the year to 31 March 2022.

### Business relationships

#### Suppliers

Our suppliers are fundamental to the group's success. We aim to forge long-term relationships with as many key suppliers as possible which in turn creates benefits for both parties. We expect all suppliers to comply with our standards, such as those relating to environmental responsibility, modern slavery, data protection, human rights and ethics. The group pays all suppliers as promptly as possible and reports its Prompt Payment Policy bi-annually at Gov.uk.

#### Customers

We aim to communicate with all our customers on a regular basis, using emails, letters and website updates. In a fiercely competitive industry such as ours we endeavour to build long-lasting business relationships with as many customers as possible by ensuring that product quality, delivery consistency and availability of material is maintained throughout the year.

#### Others

The group recognises its responsibilities to the community in which it operates and continues to make charitable donations to local charities both in North Lincolnshire and Essex.

#### Auditor

THP Limited were reappointed as auditors 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.



# Rainham Steel Holdings Limited

## Directors' Report (Continued)

For the year ended 31 March 2022

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### **Statement of directors' responsibilities**

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 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 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 transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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 auditor of the company 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 auditor of the company is aware of that information.

### **Matters included in the strategic report**

In accordance with s414C(11) of the Companies Act 2006, the information relating to future developments and financial risk management are included in the Strategic Report.

# Rainham Steel Holdings Limited

## Directors' Report (Continued)

For the year ended 31 March 2022

### UK Greenhouse gas emissions and energy use data

The group continues to appoint Net Zero Compliance (a division of Inspired Energy PLC), one of the UK's longest established and leading independent UK energy consultancy firm to assess the group's Greenhouse Gas emissions and energy consumption. The table below summarises their findings for the year to 31 March 2022:

UK Greenhouse gas emissions and energy use data	2021/22	2020/21
Energy consumption used to calculate emissions (kwh)	13,539,021	12,264,739
<u>Energy consumption break down (kwh):</u>		
• Gas	526,825	510,362
• Electricity	1,452,623	1,351,665
• Transport fuel	11,559,574	10,402,713
<u>Scope 1 emissions in metric tonnes CO2e</u>		
• Gas consumption	96.49	93.84
• Owned transport	2,738.00	2,502.58
• Total Scope 1	2,834.49	2,596.42
<u>Scope 2 emissions in metric tonnes CO2e</u>		
• Purchased electricity	308.44	315.13
<b>Total gross emissions in metric tonnes CO2e</b>	<b>3,142.93</b>	<b>2,911.55</b>
<b>Intensity ratio Tonnes CO2e per £million turnover</b>	<b>12.32</b>	<b>22.49</b>

In quantifying and reporting the above data, the company has followed the 2019 HM Government Environmental Reporting Guidelines and had regard to Corporate Standard for GHG Reporting Protocol using the 2021 UK Government's conversion factors for company reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £million turnover.

The group continues to invest in a modern fuel efficient and low emitting fleet of delivery vehicles maximising the use of each vehicle to control the number of deliveries per day. Smart meters are installed across all the group's sites to actively monitor energy consumption. As part of the ESOS Phase 2 compliance, the group is reviewing the viability of installing solar panels on some of its buildings and has placed orders to trial mobile electric powered lifting equipment at its Scunthorpe facility. Previously installed LED lighting, throughout the group's sites, continues to assist in reducing energy consumption.

On behalf of the board

T. Webb  
**Director**  
22 December 2022

# Rainham Steel Holdings Limited

## Independent Auditor's Report

To the Members of Rainham Steel Holdings Limited

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### Opinion

We have audited the financial statements of Rainham Steel Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Total Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 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 group 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 or 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.

# Rainham Steel Holdings Limited

## Independent Auditor's Report (Continued)

To the Members of Rainham Steel Holdings Limited

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### **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.

### **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 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 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.

# Rainham Steel Holdings Limited

## Independent Auditor's Report (Continued)

To the Members of Rainham Steel Holdings Limited

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### **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 group's and 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Rainham Steel Holdings Limited

## Independent Auditor's Report (Continued)

To the Members of Rainham Steel Holdings Limited

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the Group operates;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, trading standards and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and any other relevant regulators as required.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

# Rainham Steel Holdings Limited

## Independent Auditor's Report (Continued)

To the Members of Rainham Steel Holdings Limited

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### **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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

**Andrew Green LLB FCA (Senior Statutory Auditor)**  
for and on behalf of THP Limited

22 December 2022

**Chartered Accountants**  
**Statutory Auditor**

34-40 High Street  
Wanstead  
London  
E11 2RJ

# Rainham Steel Holdings Limited

## Consolidated Statement of Total Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	3	255,105,238	129,431,553
Cost of sales		(166,250,350)	(96,465,540)
<b>Gross profit</b>		<b>88,854,888</b>	<b>32,966,013</b>
Administrative expenses		(75,379,392)	(29,654,731)
Other operating income		22,880	444,946
<b>Operating profit</b>	<b>4</b>	<b>13,498,376</b>	<b>3,756,228</b>
Other interest receivable and similar income	8	3,679	8,679
Interest payable and similar expenses	9	(450,097)	(725,908)
<b>Profit before taxation</b>		<b>13,051,958</b>	<b>3,038,999</b>
Taxation	10	(5,696,107)	(588,970)
<b>Profit for the financial year</b>		<b>7,355,851</b>	<b>2,450,029</b>

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

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



# Rainham Steel Holdings Limited

## Group Balance Sheet

As at 31 March 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11	13,957,637		9,991,795	
Investments	12	71,196		71,196	
		<u>14,028,833</u>		<u>10,062,991</u>	
<b>Current assets</b>					
Stock	14	122,380,167	57,243,715		
Debtors	16	61,402,523	46,128,853		
Cash at bank and in hand		694,040	7,095,645		
		<u>184,476,730</u>	<u>110,468,213</u>		
<b>Creditors: amounts falling due within one year</b>	17	<u>(125,671,872)</u>	<u>(56,053,458)</u>		
Net current assets		58,804,858	54,414,755		
<b>Total assets less current liabilities</b>		<u>72,833,691</u>	<u>64,477,746</u>		
<b>Creditors: amounts falling due after more than one year</b>	18	(9,860,275)	(9,108,630)		
<b>Provisions for liabilities</b>	21	(482,052)	(233,603)		
<b>Net assets</b>		<u>62,491,364</u>	<u>55,135,513</u>		
<b>Capital and reserves</b>					
Called up share capital	23	4,110	4,110		
Other reserves	24	241,706	241,706		
Profit and loss reserves		62,245,548	54,889,697		
<b>Shareholders' funds</b>		<u>62,491,364</u>	<u>55,135,513</u>		

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

T. Webb  
Director

# Rainham Steel Holdings Limited

## Company Balance Sheet

As at 31 March 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	12		3,046,674		3,046,674
<b>Current assets</b>					
Debtors	16	2,859,869		2,859,869	
Cash at bank and in hand		537		537	
		<u>2,860,406</u>		<u>2,860,406</u>	
<b>Net current assets</b>			2,860,406		2,860,406
<b>Total assets less current liabilities</b>			<u>5,907,080</u>		<u>5,907,080</u>
<b>Capital and reserves</b>					
Called up share capital	23		4,110		4,110
Other reserves	24		5,923,337		5,923,337
Profit and loss reserves	24		(20,367)		(20,367)
<b>Total equity</b>			<u>5,907,080</u>		<u>5,907,080</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £nil (2021 - £nil).

The financial statements were approved by the board of directors and authorised for issue on 22 December 2022 and are signed on its behalf by:

T. Webb  
Director

Company Registration No. 04385487

# Rainham Steel Holdings Limited

## Group Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	4,110	241,706	52,439,668	52,685,484
<b>Period ended 31 March 2021:</b>				
Profit and total comprehensive income for the year	-	-	2,450,029	2,450,029
<b>Balance at 31 March 2021</b>	4,110	241,706	54,889,697	55,135,513
<b>Period ended 31 March 2022:</b>				
Profit and total comprehensive income for the year	-	-	7,355,851	7,355,851
<b>Balance at 31 March 2022</b>	4,110	241,706	62,245,548	62,491,364

# Rainham Steel Holdings Limited

## Company Statement of Changes in Equity

For the year ended 31 March 2022

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	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	4,110	5,923,337	(20,367)	5,907,080
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Period ended 31 March 2021:</b>				
Profit and total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	4,110	5,923,337	(20,367)	5,907,080
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Period ended 31 March 2022:</b>				
Profit and total comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	4,110	5,923,337	(20,367)	5,907,080
	<hr/>	<hr/>	<hr/>	<hr/>

# Rainham Steel Holdings Limited

## Group Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	30		(3,949,541)		15,147,050
Interest paid			(506,868)		(702,735)
Income taxes paid			(1,298,323)		(300,464)
<b>Net cash (outflow)/inflow from operating activities</b>			(5,754,732)		14,143,851
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,829,906)		(2,377,734)	
Proceeds on disposal of tangible fixed assets		622,078		449,845	
Interest received		103		3,389	
Dividends received		3,576		5,290	
<b>Net cash used in investing activities</b>			(4,204,149)		(1,919,210)
<b>Financing activities</b>					
Repayment of borrowings		(236,537)		(5,976,414)	
Proceeds from/(Issue of) loans to related parties		1,712,601		(998,834)	
Payment of finance leases obligations		(1,757,671)		(1,226,060)	
<b>Net cash used in financing activities</b>			(281,607)		(8,201,308)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(10,240,488)		4,023,333
Cash and cash equivalents at beginning of year			7,095,645		3,072,312
<b>Cash and cash equivalents at end of year</b>			(3,144,843)		7,095,645
<b>Relating to:</b>					
Cash at bank and in hand			694,040		7,095,645
Bank overdrafts included in creditors payable within one year			(3,838,883)		-

# Rainham Steel Holdings Limited

## Notes to the Financial Statements

For the year ended 31 March 2022

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### 1 Accounting policies

#### Company information

Rainham Steel Holdings Limited ("the Company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Orbital House, 20 Eastern Road, Romford, Essex, RM1 3PJ and its business address is Steel Approach, Rainham, Essex, RM13 9PF.

The group consists of Rainham Steel Holdings Limited and all of its subsidiaries.

#### 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 group. Monetary amounts in these financial statements are rounded to the nearest pound.

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

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Rainham Steel 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). All financial statements are made up to 31 March 2022.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

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.

#### 1.3 Going concern

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 and for a period of at least twelve months following the approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 1 Accounting policies

(Continued)

#### 1.5 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:

Land and buildings Leasehold	10/25 years straight line
Plant and machinery	4-10% straight line & 25% reducing balance
Fixtures, fittings & equipment	10% straight line & 25% reducing balance
Motor vehicles	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 the profit and loss account.

#### 1.6 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is defined as actual cost and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the profit or loss account.

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### **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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, 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.

### 1.9 Equity instruments

Equity instruments issued by the group 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 group.

### 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 group'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.



# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.11 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.12 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.

The group operates an Employee Benefit Trust (EBT) and has de facto control of the shares held by the trust and bears their benefits and risks. The group records assets and liabilities of the trust as its own. Consideration paid by the EBT for shares of the companies within the group is deducted from equity. Finance costs and administrative expenses incurred by the group in relation to the EBT are recognised on an accruals basis.

#### 1.13 Retirement benefits

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

#### 1.14 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 balance sheet 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.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### 1.15 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.

#### 1.16 Foreign exchange

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the company at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the initial transaction dates.

Foreign exchange differences are expensed or credited to the Statement of Comprehensive Income with administrative expenses.

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Useful economic life of tangible fixed assets*

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible fixed assets and note 1.5 for the useful economic lives for each class of asset.

#### *Stock provisions*

The level of stocks net of stock provisions are set out in note 14. For each line of stock, a provision may be made due to the age and condition of the stock, or where the Net Realisable Value is less than cost. Net Realisable Value is the estimated selling price for stocks less all estimated costs of completion and costs necessary to make the sale. The estimated selling price for each stock line is a judgement based mainly on recent selling patterns for that product.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 3 Turnover and other revenue

The whole of the turnover is attributable to the one principal activity of the group.

	2022	2021
	£	£
<b>Other significant revenue</b>		
Interest income	103	3,389
Dividends received	3,576	5,290
Grants received	22,880	444,946

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	247,646,094	124,245,589
Europe	7,039,692	5,147,707
Other	419,452	38,257
	255,105,238	129,431,553

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(85,943)	136,223
Government grants	(22,880)	(444,946)
Depreciation of owned tangible fixed assets	2,243,895	1,573,072
Depreciation of tangible fixed assets held under finance leases	1,560,613	926,118
(Profit)/loss on disposal of tangible fixed assets	(12,608)	22,397
Operating lease charges	1,787,819	551,304

### 5 Auditors' remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's subsidiaries	26,000	22,000

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 6 Employees

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

	2022 Number	2021 Number
Administration	41	40
Selling and distribution	176	149
	<u>217</u>	<u>189</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	54,192,541	17,797,581
Social security costs	7,819,028	2,258,514
Pension costs	271,190	225,521
	<u>62,282,759</u>	<u>20,281,616</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	45,813,835	10,819,800
Company pension contributions to defined contribution schemes	8,642	8,626
	<u>45,822,477</u>	<u>10,828,426</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2021 - 5).

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

Remuneration for qualifying services	<u>21,595,803</u>	<u>5,150,000</u>
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# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 8 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	103	3,389
<b>Other income from investments</b>		
Dividends received	3,576	5,290
Total income	3,679	8,679

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	103	3,389
Dividends from financial assets measured at fair value through profit or loss	3,576	5,290

### 9 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	74,569	2
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	61,965	35,505
Other interest	313,563	690,401
Total finance costs	450,097	725,908

See note 28 for further information on the other interest amount.

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	5,447,658	516,961
<b>Deferred tax</b>		
Origination and reversal of timing differences	248,449	72,009
Total tax charge	5,696,107	588,970

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 10 Taxation

(Continued)

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:

	2022 £	2021 £
Profit before taxation	13,051,958	3,038,999
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	2,479,872	577,410
Tax effect of expenses that are not deductible in determining taxable profit	3,392	6,653
Permanent capital allowances in excess of depreciation	(7,967)	58,202
Dividend income	(679)	(1,005)
Other tax adjustments	3,221,489	(52,290)
Tax expense for the year	5,696,107	588,970

### 11 Tangible fixed assets

Group	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2021	923,537	20,309,215	1,388,701	7,046,444	29,667,897
Additions	-	6,825,316	217,000	1,337,504	8,379,820
Disposals	(640,929)	(1,129,704)	(262,446)	(1,278,718)	(3,311,797)
At 31 March 2022	282,608	26,004,827	1,343,255	7,105,230	34,735,920
<b>Depreciation and impairment</b>					
At 1 April 2021	714,979	13,986,580	1,129,582	3,844,961	19,676,102
Depreciation charged in the year	28,064	2,610,492	112,344	1,053,608	3,804,508
Eliminated in respect of disposals	(460,435)	(1,039,807)	(248,899)	(953,186)	(2,702,327)
At 31 March 2022	282,608	15,557,265	993,027	3,945,383	20,778,283
<b>Carrying amount</b>					
At 31 March 2022	-	10,447,562	350,228	3,159,847	13,957,637
At 31 March 2021	208,558	6,322,635	259,119	3,201,483	9,991,795

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 11 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 £1,560,613 (2021: £926,118) for the year.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and machinery	2,695,539	601,250	-	-
Motor vehicles	1,986,303	2,177,100	-	-
	<u>4,681,842</u>	<u>2,778,350</u>	<u>-</u>	<u>-</u>

### 12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	3,046,674	3,046,674
Listed investments		71,196	71,196	-	-
		<u>71,196</u>	<u>71,196</u>	<u>3,046,674</u>	<u>3,046,674</u>
<b>Listed investments included above:</b>					
Listed investments carrying amount		71,196	71,196	-	-
		<u>71,196</u>	<u>71,196</u>	<u>-</u>	<u>-</u>

At the year end the market value of fixed asset investments was £52,629 (2021 - £70,997).

### 13 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Rainham Steel Company Limited	England and Wales	Ordinary	100.00	-
Rainham Steel Tubes Limited	England and Wales	Ordinary	100.00	-
Rainham Reinforcement Limited	England and Wales	Ordinary	0	100.00

All of the subsidiary companies are registered to Orbital House, 20 Eastern Road, Romford, Essex, RM1 3PJ.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 14 Stock

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	122,380,167	57,243,715	-	-

### 15 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	57,617,086	39,622,003	2,859,869	2,859,869
Equity instruments measured at cost less impairment	71,196	71,196	3,046,674	3,046,674
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	128,606,754	64,508,790	-	-

### 16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	57,116,797	39,050,035	-	-
Amounts owed by group undertakings	-	-	2,859,869	2,859,869
Amounts due from related parties	500,289	571,968	-	-
Prepayments and accrued income	3,785,437	6,506,850	-	-
	61,402,523	46,128,853	2,859,869	2,859,869



# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Loans and overdrafts	19	3,838,883	-	-	-
Obligations under finance leases	20	2,060,374	1,256,313	-	-
Corporation tax payable		4,567,205	417,870	-	-
Other taxation and social security		2,358,188	235,428	-	-
Trade creditors		57,433,393	40,470,296	-	-
Amounts due to related parties		1,796,698	155,776	-	-
Other creditors		313,153	831,948	-	-
Accruals and deferred income		53,303,978	12,685,827	-	-
		<u>125,671,872</u>	<u>56,053,458</u>	<u>-</u>	<u>-</u>

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Obligations under finance leases	20	2,326,597	1,338,415	-	-
Other borrowings	19	7,533,678	7,770,215	-	-
		<u>9,860,275</u>	<u>9,108,630</u>	<u>-</u>	<u>-</u>

### 19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank overdrafts	3,838,883	-	-	-
Other loans	7,533,678	7,770,215	-	-
	<u>11,372,561</u>	<u>7,770,215</u>	<u>-</u>	<u>-</u>
Payable within one year	3,838,883	-	-	-
Payable after one year	7,533,678	7,770,215	-	-
	<u></u>	<u></u>	<u></u>	<u></u>

The bank holds an Unscheduled Mortgage Debenture dated 16 August 1979 incorporating a fixed and floating charge over all current and future assets of the group.

An unlimited composite guarantee dated 11 June 2002 exists between the company, Rainham Steel Tubes Limited and Rainham Steel Company Limited.

Loans provided by directors and other related parties are disclosed in notes 27 and 28.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	2,141,488	1,298,095	-	-
In two to five years	2,426,215	1,383,197	-	-
	<u>4,567,703</u>	<u>2,681,292</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(180,732)	(86,564)	-	-
	<u>4,386,971</u>	<u>2,594,728</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the 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 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 21 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	448,802	200,353
Other timing differences	33,250	33,250
	<u>482,052</u>	<u>233,603</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £	Company 2022 £
Liability at 1 April 2021	233,603	-
Charge to profit or loss	248,449	-
	<u>482,052</u>	<u>-</u>
Liability at 31 March 2022	<u>482,052</u>	<u>-</u>

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 21 Deferred taxation (Continued)

The balance of the other timing differences relates to a liability of £33,250 (2021: £33,250) in respect of contributions made to the group's Employment Benefit Trust.

The deferred taxation charge for the year was at 19% (2021: 19%).

### 22 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit and loss in respect of defined contribution schemes	271,190	225,521

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

### 23 Share capital

	Group and company	
	2022	2021
Ordinary share capital	£	£
Issued and fully paid		
3,677,310 Ordinary A shares of 0.1p each	3,677	3,677
432,625 Ordinary B shares of 0.1p each	433	433
	4,110	4,110

On 6 June 2017 the Ordinary shares in issue were redesignated as Ordinary A shares. On the same date, the rights attached to the Ordinary A shares were varied so that the shares have rights to dividends but are not entitled to participate in capital distributions in excess of £75,000,000 on winding up of the Company or proceeds from an exit. The Ordinary A shares have full voting rights.

On 6 June 2017, 432,625 Ordinary B shares with a par value of £0.001 were issued. The shares have rights to dividends and are entitled to capital distributions only in excess of £75,000,000 on winding up of the Company or proceeds from an exit. The Ordinary B shares have no voting rights.

On 30th June 2022 the Company completed a share buyback of 205,497 Ordinary B shares at a value of £76.74 per share from the former director R Carr.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 24 Reserves

#### *Other reserves*

In 1997 Rainham Steel Company Limited ("the company") created an Employee Benefit Trust. The purpose of the Trust is to encourage and facilitate employees and former employees of the company to hold shares in the company.

Contributions to the Trust are not charged to the profit and loss account until the shares vest in employees and former employees of the company. The group made no contributions in the year to the Trust.

In the year ended 31 March 2005 the Trust exchanged 470 ordinary shares in Rainham Steel Company Limited for 173,000 ordinary shares of £0.001 in Rainham Steel Holdings Limited. The transaction was a share for share exchange and there was no cash consideration.

The Employee Benefit Trust reserve equates to the contributions paid into Rainham Steel Employee Benefit Trust of £375,000, which were used to acquire the ordinary shares in Rainham Steel Holdings Limited. Additionally a dividend of £176,532 was declared in 2005 but is yet to be paid across and is offset against this reserve. In the directors' opinion the value of the investments is not less than the cost.

#### *Merger reserve*

The merger reserve arose due to the difference between the assets acquired in the group reconstruction and the nominal value of shares issued in exchange. Section 612 of the Companies Act 2006 has been applied.

#### *Profit and loss reserve*

This reserve records the cumulative profits and losses arising in each year.

### 25 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:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	1,857,971	1,479,304	-	-
Between two and five years	5,762,535	4,483,840	-	-
In over five years	3,150,000	12,292,500	-	-
	<u>10,770,506</u>	<u>18,255,644</u>	<u>-</u>	<u>-</u>

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	493,027	1,621,585	-	-

In addition to the amounts above, included within prepayments at the balance sheet date is £691,032 (2021: £ 2,762,111) relating to deposits paid for capital commitments.

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2022 £	2021 £
Aggregate compensation	45,822,477	10,828,426

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 27 Related party transactions

(Continued)

No guarantees have been given or received.

The group has elected to take advantage of the exemption from the requirements of FRS 102 to disclose transactions with other members of the group in these consolidated financial statements.

The group charged management expenses during the year to Rainham Steel Investments Limited totalling £214,322 (2021: £216,000). The group paid rent of £1,614,572 (2021: £465,000) to Rainham Steel Investments Limited. The group made sales of £30,565 (2021: £184,837) to Rainham Steel Investments Limited. At the year end £1,796,698 (2021: £143,776) was owing to Rainham Steel Investments Limited, included in creditors due within one year. During the year the group was charged by Rainham Steel Investments Limited interest amounting to £nil (2021: £909) at 3.19% plus Bank of England base rate. The group is related to Rainham Steel Investments Limited by virtue of common management and control.

The group charged management expenses during the year to Rainham Securities Limited totalling £26,233 (2021: £18,000). At the year end £14,034 (2021: £85,968) was owing from Rainham Securities Limited which is included in other debtors. The group is related to Rainham Securities Limited by virtue of common management and control.

The group paid rent of £90,000 (2021: £90,000) to Voric (Scunthorpe) Limited. The group is related to Voric (Scunthorpe) Limited by virtue of common management and control.

The group paid rent of £64,015 (2021: £nil) to Morelands Industrial Estate Limited. The group is related to Morelands Industrial Estate Limited by virtue of common management and control.

The group charged management expenses during the year to Glademore Limited totalling £412,788 (2021: £405,000) and the group was charged costs of £10,000 (2021: £10,000). At the year end £486,254 (2021: £486,000) was owed by Glademore Limited, which is included in other debtors. At the year end £nil (2021: £12,000) was owed to Glademore Limited, which is included in creditors due within one year. The group is related to Glademore Limited by virtue of common management and control.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 28 Directors' transactions

During the year the group conducted trade on normal commercial terms with Brandon Steel Company Limited in which the former director W. J. Ives held a material interest. During the year the group made sales of £nil (2021: £65,295) to Brandon Steel Company Limited. At the year end £nil (2021: £3193) was owing from Brandon Steel Company Limited which is included in trade debtors.

During the year the group made purchases amounting to £76,933 (2021: £68,066) on behalf of and paid rent at market rates of £285,000 (2021: £285,000) to the W. J. Ives Accumulation and Maintenance Settlement. Management expenses were made to the fund of £152,454 (2021: £113,935). At the year end an amount of £nil (2021: £63,780) was owed to the W. J. Ives Accumulation and Maintenance Settlement which is included in other creditors.

At the year end an amount of £5,181,882 (2021: £4,516,694) was owed to T. Webb, a director, and is included in creditors due after one year. During the year, the group was charged interest of £204,821 (2021: £367,910) base rate of 4.5% above the Bank of England base rate with no repayment terms set.

At the year end an amount of £2,351,796 (2021: £3,253,521) was owed to R. J. Carr, a former director, and is included in creditors due after one year. During the year, the group was charged interest of £108,310 (2021: £321,583) at a base rate of 4.5% above the Bank of England base rate with no repayment terms set.

During the year the group sold a vehicle to a director at market value of £nil (2021: £12,500).

### 29 Controlling party

The controlling party is now T Webb by virtue of his majority control of the ordinary share capital of the company.

# Rainham Steel Holdings Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 30 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit for the year after tax	7,355,851	2,450,029
<b>Adjustments for:</b>		
Taxation charged	5,696,107	588,970
Finance costs	450,097	725,908
Investment income	(3,679)	(8,679)
(Gain)/loss on disposal of tangible fixed assets	(12,608)	22,397
Depreciation and impairment of tangible fixed assets	3,804,508	2,499,190
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(65,136,452)	3,397,719
Increase in debtors	(15,345,349)	(11,768,388)
Increase in creditors	59,241,984	17,239,904
<b>Cash (absorbed by)/generated from operations</b>	<b>(3,949,541)</b>	<b>15,147,050</b>

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

	1 April 2021 £	Cash flows 31 March 2022 £	
Cash at bank and in hand	7,095,645	(6,401,605)	694,040
Bank overdrafts	-	(3,838,883)	(3,838,883)
	7,095,645	(10,240,488)	(3,144,843)
Borrowings excluding overdrafts	(7,770,215)	236,537	(7,533,678)
Obligations under finance leases	(2,594,728)	(1,792,243)	(4,386,971)
	(3,269,298)	(11,796,194)	(15,065,492)



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