

**GROUP STRATEGIC REPORT, DIRECTORS' REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021  
FOR  
BRADLEY MCLAREN HOLDINGS LIMITED**

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FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

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**BRADLEY MCLAREN HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**DIRECTORS:**

D C Bradley  
Mrs D C Bradley

**REGISTERED OFFICE:**

The Gates 161 Dobcroft Road  
Millhouses  
Sheffield  
S7 2LT

**REGISTERED NUMBER:**

12969553 (England and Wales)

**AUDITORS:**

Clive Shedd & Co.  
Statutory Auditor  
Chartered Accountants  
232 Sladepool Farm Road  
Birmingham  
B14 5EE

**GROUP STRATEGIC REPORT  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

The directors present their strategic report of the company and the group for the period 22 October 2020 to 31 August 2021.

**REVIEW OF BUSINESS**

Bradley McLaren Holdings Limited acquired 100% of the share capital of Masteel (UK) Limited on 23 February 2021.

A Belgian subsidiary was also incorporated on 8 April 2021, to overcome exporting issues faced by Masteel (UK) Limited, following the UK's departure from the EU.

The resulting buy in, of Masteel (UK) Limited brings over 30 years+ expertise within the steel industry and leadership into the business. The previous owner and Managing Director is still fully involved in the day to day operations of the company and retains 5% of the share capital of Bradley McLaren Holdings Limited.

The buy in was seen as being integral to Masteel (UK) Limited looking to grow the business and build upon the excellent positive growth and profitability the company has seen over the last few years. All the senior leadership team are still involved in the business, and it is very much a case of business as usual.

Masteel (UK) Limited also trades through a branch in South Africa, which continues to be an important market, yielding excellent results. The removal of the 8% safeguarding tariff, will no doubt, increase imports into the country.

The results for the period of 23 February 2021 to 31 August 2021 yielded a turnover of £10,678,889 with a gross profit of £1,880,470 (17.6%) and profit after taxation of £528,679.

**PRINCIPAL RISKS AND UNCERTAINTIES**

COVID-19 has exposed all businesses to general economic risk and the group entities have overcome this by ensuring they have a diverse geographic of customers and suppliers.

The subsidiary incorporated in Belgium has overcome legislation and regulation requirements arising from the UK's departure from the EU. The vast experience and knowledge of key personnel has and continues to ensure that operations in this area run smoothly.

The group mitigates the risk of changing legislation and regulation by employing long established, in-house professionals in Sales, Logistics and Finance. The group also employs external professional advisors to ensure full compliance with all regulations and best practice.

**ON BEHALF OF THE BOARD:**

D C Bradley - Director

25 February 2022

**DIRECTORS' REPORT  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

The directors present their report with the financial statements of the company and the group for the period 22 October 2020 to 31 August 2021.

**INCORPORATION**

The group was incorporated on 22 October 2020 and commenced trading on the same date.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the period under review was that of steel stockholders and traders.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 August 2021.

**FUTURE DEVELOPMENTS**

The entity is looking to increase 'added value' revenue to the existing business operations. This will be achieved through continued investment in machinery, personnel and acquisitions.

**DIRECTORS**

The directors who have held office during the period from 22 October 2020 to the date of this report are as follows:

D C Bradley - appointed 22 October 2020

Mrs D C Bradley - appointed 24 February 2021

The group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors.

**FINANCIAL RISK MANAGEMENT**

The group's operations expose it to a variety of financial risks, which it seeks to mitigate and control as follows:

**Fraud Risk** - By developing strong internal and external controls, which are constantly reviewed. To reduce exposure to the risk of fraud, an extensive review of all new clients is carried out.

**Foreign Currency Risk** - As far as possible the entity seeks to match the currency of supplies with that of the currency of sale. Where appropriate the group will undertake currency forwards to minimise exposure to foreign exchange rate fluctuations.

**Credit Risk** - the group is exposed to credit related losses in event of non-performance by customers but mitigates such risk by ensuring customers have significant credit ratings and obtaining credit insurance.

**Liquidity Risk** - this is mitigated through conscious financial planning and analysis, regular cash flow forecasting and managing credit facilities.

**Pricing Risk** - the group operates in an environment whereby any price increase in steel can be passed to the customer. Price movements are regularly monitored and at times of concerning increases, the group avoids large investment in stocks. Supply of steels in which the group trades is limited by the current trading policies of the manufacturers. As a result, the entity believes it is unlikely to suffer from fluctuations in prices arising out of surplus stocks in the marketplace.

**DIRECTORS' REPORT  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

D C Bradley - Director

25 February 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRADLEY MCLAREN HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Bradley McLaren Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 August 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 August 2021 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report, the Directors' Report and the Directors' Responsibilities Statement, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRADLEY MCLAREN HOLDINGS LIMITED**

**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 Group Strategic Report or 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRADLEY MCLAREN HOLDINGS LIMITED**

### **Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included obtaining an understanding of the legal and regulatory frameworks applicable to the group and the parent company based on our understanding of the group and the parent company, the sector in which they operate and discussions with management. The most significant considerations for the group and the parent company are the Companies Act 2006, tax and employment legislation, health and safety, Covid-19 support and environmental regulations.

We enquired of management and obtained and reviewed supporting documentation concerning policies and procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

We evaluated management's opportunities in relation to the fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are that we made enquiries of management and reviewed legal correspondence to identify any irregularities or instances of non-compliance with laws and regulations; we tested the appropriateness of accounting journals, including those relating to higher risk adjustments made in the preparation of the financial statements; and we reviewed the accounting policies for non-compliance with relevant standards. Our work also included considering significant accounting estimates for evidence of misstatement, evaluating management's assumptions and judgements for possible bias and testing any significant transactions that appeared to be outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, intentional misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
BRADLEY MCLAREN HOLDINGS LIMITED**

**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 Auditors' 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.

Clive Shedd FCA (Senior Statutory Auditor)  
for and on behalf of Clive Shedd & Co.  
Statutory Auditor  
Chartered Accountants  
232 Sladepool Farm Road  
Birmingham  
B14 5EE

25 February 2022

**CONSOLIDATED  
STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

	Notes	£
<b>TURNOVER</b>	4	10,678,889
Cost of sales		<u>8,798,419</u>
<b>GROSS PROFIT</b>		1,880,470
Administrative expenses		<u>1,185,506</u>
		694,964
Other operating income		<u>129,438</u>
<b>OPERATING PROFIT</b>	6	824,402
Interest receivable and similar income		<u>546</u>
		824,948
Interest payable and similar expenses	7	<u>139,797</u>
<b>PROFIT BEFORE TAXATION</b>		685,151
Tax on profit	8	<u>156,472</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		528,679
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>528,679</u>
Profit attributable to: Owners of the parent		<u>528,679</u>
Total comprehensive income attributable to: Owners of the parent		<u>528,679</u>

The notes form part of these financial statements

**BRADLEY MCLAREN HOLDINGS LIMITED (REGISTERED NUMBER: 12969553)****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 AUGUST 2021**

	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	10		4,092,487
Tangible assets	11		220,456
Investments	12		<u>-</u>
			4,312,943
<b>CURRENT ASSETS</b>			
Stocks	13	1,305,972	
Debtors	14	3,401,394	
Cash at bank		<u>469,987</u>	
		5,177,353	
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>5,447,600</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(270,247)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,042,696
<b>CREDITORS</b>			
Amounts falling due after more than one year	16		(3,488,912)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(14,255)</u>
<b>NET ASSETS</b>			<u>539,529</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22		1,000
Share premium	23		9,850
Retained earnings	23		<u>528,679</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>539,529</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2022 and were signed on its behalf by:

D C Bradley - Director

The notes form part of these financial statements

**BRADLEY MCLAREN HOLDINGS LIMITED (REGISTERED NUMBER: 12969553)****COMPANY STATEMENT OF FINANCIAL POSITION  
31 AUGUST 2021**

	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	10		-
Tangible assets	11		66,725
Investments	12		<u>8,132,292</u>
			8,199,017
<b>CURRENT ASSETS</b>			
Debtors	14	500	
Cash at bank		<u>3,512</u>	
		4,012	
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>4,697,069</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(4,693,057)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,505,960
<b>CREDITORS</b>			
Amounts falling due after more than one year	16		(3,488,912)
<b>PROVISIONS FOR LIABILITIES</b>	21		<u>(1,735)</u>
<b>NET ASSETS</b>			<u><u>15,313</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22		1,000
Share premium	23		9,850
Retained earnings	23		<u>4,463</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>15,313</u></u>
Company's profit for the financial year			<u>4,463</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2022 and were signed on its behalf by:

D C Bradley - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	1,000	-	9,850	10,850
Total comprehensive income	-	528,679	-	528,679
<b>Balance at 31 August 2021</b>	<u>1,000</u>	<u>528,679</u>	<u>9,850</u>	<u>539,529</u>

**BRADLEY MCLAREN HOLDINGS LIMITED (REGISTERED NUMBER: 12969553)**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	1,000	-	9,850	10,850
Total comprehensive income	-	4,463	-	4,463
<b>Balance at 31 August 2021</b>	<u>1,000</u>	<u>4,463</u>	<u>9,850</u>	<u>15,313</u>

The notes form part of these financial statements



**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	25	165,475
Interest paid		(139,120)
Interest element of hire purchase payments paid		(677)
Tax paid		<u>(11,893)</u>
Net cash from operating activities		<u>13,785</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(198,753)
Sale of tangible fixed assets		29,700
Net acquisition cost of subsidiary		(4,233,607)
Interest received		<u>546</u>
Net cash from investing activities		<u>(4,402,114)</u>
<b>Cash flows from financing activities</b>		
Bank loans		2,189,614
Loan notes 2021		2,890,000
Bank loan repayments		(219,833)
Hire purchase capital repayments		(12,315)
Share issue		<u>10,850</u>
Net cash from financing activities		<u>4,858,316</u>
<b>Increase in cash and cash equivalents</b>		<u>469,987</u>
<b>Cash and cash equivalents at beginning of period</b>	26	-
<b>Cash and cash equivalents at end of period</b>	26	<u><u>469,987</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**1. STATUTORY INFORMATION**

Bradley McLaren Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention, modified by the measurement of derivative financial instruments at fair value. The functional and presentation currency is the pound sterling, rounded to the nearest £.

**Basis of consolidation**

The consolidated financial statements incorporate the results of the company and all of its subsidiary undertakings using acquisition accounting, which includes the results of subsidiary undertakings from their date of acquisition.

**Significant judgements and estimates**

In preparing these financial statements the group's management make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the statement of financial position date and the amounts reported in the statement of comprehensive income for the period under review.

The nature of estimates means that the actual outcome could differ and the group's management consider there are no estimates or assumptions that have a significant risk of causing a material adjustment to the amounts reported for assets and liabilities within the next financial year.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2021, is being amortised evenly over its estimated useful life of fifteen years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	25% on reducing balance
Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	25% on reducing balance

Tangible fixed assets are initially recorded at cost.

**Stocks**

Stocks are valued on a weighted average cost formula at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

Basic financial assets and liabilities are initially recognised at transaction price and are subsequently measured at amortised cost.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into. Subsequently at the end of each reporting period derivative financial instruments are measured at fair value with changes in fair value being recognised through profit or loss. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

**Taxation**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position and are depreciated over their estimated useful lives. The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group contributes to defined contribution personal pension schemes. Contributions payable are charged to profit or loss in the period to which they relate.

**Employee benefits**

When employees have rendered service to the group, short-term employee benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	£
United Kingdom	4,745,614
Outside the United Kingdom	5,933,275
	<u>10,678,889</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**5. EMPLOYEES AND DIRECTORS**

	£
Wages and salaries	691,364
Social security costs	89,375
Other pension costs	<u>47,875</u>
	<u>828,614</u>

The average number of employees during the period was as follows:

Directors	1
Sales and administration	<u>15</u>
	<u>16</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 26 .

	£
Directors' remuneration	67,311
Directors' pension contributions to money purchase schemes	<u>5,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>
------------------------	----------

**6. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	£
Other operating leases	41,750
Depreciation - owned assets	20,456
Depreciation - assets on hire purchase contracts	7,739
Profit on disposal of fixed assets	(3,738)
Goodwill amortisation	141,120
Auditors' remuneration	18,234
Foreign exchange differences	(29,438)
Derivative financial instruments	(11,517)
Business interruption insurance claim	<u>(100,000)</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	£
Bank loan interest	47,834
Other interest	928
Loan notes 2021 interest	90,358
Hire purchase	<u>677</u>
	<u>139,797</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	£
Current tax:	
UK corporation tax	132,659
Double tax relief	(32,300)
Overseas tax	51,818
Total current tax	<u>152,177</u>
Deferred tax	4,295
Tax on profit	<u>156,472</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Profit before tax	<u>685,151</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 %	130,179
Effects of:	
Expenses not deductible for tax purposes	4,160
Capital allowances in excess of depreciation	(4,295)
Double tax relief	(32,300)
Overseas tax	51,818
Income assessed to overseas tax not subject to tax in the UK	(3,179)
Expenses provision tax adjustment	(21,019)
Amortisation not allowable for tax purposes	26,813
Deferred tax	4,295
Total tax charge	<u>156,472</u>

**9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**10. INTANGIBLE FIXED ASSETS****Group**

	Goodwill £
<b>COST</b>	
Additions	4,233,607
At 31 August 2021	<u>4,233,607</u>
<b>AMORTISATION</b>	
Amortisation for period	141,120
At 31 August 2021	<u>141,120</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u><u>4,092,487</u></u>

**11. TANGIBLE FIXED ASSETS****Group**

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
Additions	60,035	63,934	150,644	274,613
Disposals	<u>-</u>	<u>-</u>	<u>(27,701)</u>	<u>(27,701)</u>
At 31 August 2021	<u>60,035</u>	<u>63,934</u>	<u>122,943</u>	<u>246,912</u>
<b>DEPRECIATION</b>				
Charge for period	8,590	10,894	8,711	28,195
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(1,739)</u>	<u>(1,739)</u>
At 31 August 2021	<u>8,590</u>	<u>10,894</u>	<u>6,972</u>	<u>26,456</u>
<b>NET BOOK VALUE</b>				
At 31 August 2021	<u><u>51,445</u></u>	<u><u>53,040</u></u>	<u><u>115,971</u></u>	<u><u>220,456</u></u>

Additions include tangible fixed assets arising on the acquisition of a subsidiary undertaking (see note 28).

The net book value of fixed assets of £220,456 includes an amount of £104,639 in respect of assets held under hire purchase contracts.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**11. TANGIBLE FIXED ASSETS - continued****Company**

	Motor vehicles £
<b>COST</b>	
Additions	68,145
At 31 August 2021	<u>68,145</u>
<b>DEPRECIATION</b>	
Charge for period	1,420
At 31 August 2021	<u>1,420</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>66,725</u>

The net book value of fixed assets of £66,725 includes an amount of £66,725 in respect of assets held under hire purchase contracts.

**12. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
<b>COST</b>	
Additions	8,132,292
At 31 August 2021	<u>8,132,292</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>8,132,292</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries****Masteel (UK) Limited**

Registered office: 6 Three Spires House, Station Road, Lichfield WS13 6HX  
 Nature of business: Steel stockholders and traders

	%
Class of shares:	holding
Ordinary	100.00

**Masteel B.V.**

Registered office: Boomsesteenweg 77C, 2630 Aartselaar, Belgium  
 Nature of business: Steel stockholders and traders

	%
Class of shares:	holding
Ordinary	100.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**13. STOCKS**

	<b>Group</b>
	<b>£</b>
Stocks	<u>1,305,972</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,257,427	-
Other debtors	43,008	500
Derivative financial instruments	11,245	-
Prepayments and accrued income	89,714	-
	<u>3,401,394</u>	<u>500</u>

Trade debtors include an amount of £2,220,000 in respect of trade debtors the subject of a bank loan agreement, against which the group has received advances of £870,614. The group remains exposed to late payment risk on trade debtors the subject of the bank loan agreement.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 17)	1,310,281	439,667
Other loans (see note 17)	100,000	100,000
Hire purchase contracts (see note 18)	24,133	3,576
Trade creditors	2,348,457	-
Amounts owed to group undertakings	-	3,205,498
Taxation and social security	546,417	13,339
Other creditors	832,432	832,432
Accruals and deferred income	285,880	102,557
	<u>5,447,600</u>	<u>4,697,069</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 17)	659,500	659,500
Other loans (see note 17)	2,790,000	2,790,000
Hire purchase contracts (see note 18)	39,412	39,412
	<u>3,488,912</u>	<u>3,488,912</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**17. LOANS**

An analysis of the maturity of loans is given below:

		<b>Group</b> £	<b>Company</b> £
Amounts falling due within one year or on demand:			
Bank loans		1,310,281	439,667
Loan notes 2021		<u>100,000</u>	<u>100,000</u>
		<u>1,410,281</u>	<u>539,667</u>
Amounts falling due between one and two years:			
Bank loans - 1 to 2 years		439,667	439,667
Loan notes 2021 - 1 to 2 years		<u>100,000</u>	<u>100,000</u>
		<u>539,667</u>	<u>539,667</u>
Amounts falling due between two and five years:			
Bank loans - 2 to 5 years		219,833	219,833
Loan notes 2021 - 2 to 5 years		<u>2,690,000</u>	<u>2,690,000</u>
		<u>2,909,833</u>	<u>2,909,833</u>

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

<b>Group</b>	<b>Hire purchase contracts £</b>
Gross obligations repayable:	
Within one year	26,687
Between one and five years	<u>41,166</u>
	<u>67,853</u>
Finance charges repayable:	
Within one year	2,554
Between one and five years	<u>1,754</u>
	<u>4,308</u>
Net obligations repayable:	
Within one year	24,133
Between one and five years	<u>39,412</u>
	<u>63,545</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**18. LEASING AGREEMENTS - continued****Company**

	Hire purchase contracts £
Gross obligations repayable:	
Within one year	5,826
Between one and five years	<u>41,166</u>
	<u>46,992</u>
Finance charges repayable:	
Within one year	2,250
Between one and five years	<u>1,754</u>
	<u>4,004</u>
Net obligations repayable:	
Within one year	3,576
Between one and five years	<u>39,412</u>
	<u>42,988</u>

**Group**

	Non- cancellableoperating leases £
Within one year	60,000
Between one and five years	<u>75,000</u>
	<u>135,000</u>

**19. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b> £
Bank loans	1,969,781
Hire purchase contracts	<u>63,545</u>
	<u>2,033,326</u>

Hire purchase liabilities are secured by a charge on the asset concerned. Bank borrowings are secured by debentures over the group's assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**20. FINANCIAL INSTRUMENTS**

The carrying amounts of the company's financial instruments are as follows:

	<b>Group</b> £	<b>Company</b> £
<b>Financial assets</b>		
Debt instruments measured at amortised cost:		
Trade debtors	3,257,427	-
Other debtors	43,008	500
Cash at bank	469,987	3,512
	<u>3,770,422</u>	<u>4,012</u>
Measured at fair value through profit or loss:		
Derivative financial instruments	<u>11,245</u>	<u>-</u>
<b>Financial liabilities</b>		
Measured at amortised cost:		
Bank loans and overdrafts	1,969,781	1,099,167
Loan notes 2021	2,890,000	2,890,000
Trade creditors	2,348,457	-
Other creditors	832,432	832,432
Hire purchase contracts	63,545	42,988
Amounts owed to group undertakings	-	3,205,498
	<u>8,104,215</u>	<u>8,070,085</u>

The interest rate applicable to the Loan notes 2021 is 5% per annum. The group entered into derivative financial instruments in respect of forward foreign currency contracts to reduce exposure to foreign currency exchange rates. As at the statement of financial position date the fair value of the forward foreign currency contracts have been calculated by reference to forward foreign currency contracts at the statement of financial position date with similar maturity profiles.

**21. PROVISIONS FOR LIABILITIES**

	<b>Group</b> £	<b>Company</b> £
Deferred tax		
Accelerated capital allowances	<u>14,255</u>	<u>1,735</u>
<b>Group</b>		
		Deferred tax
		£
Charge to Statement of Comprehensive Income during period		4,295
On acquisition of subsidiary		<u>9,960</u>
Balance at 31 August 2021		<u>14,255</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**21. PROVISIONS FOR LIABILITIES - continued****Company**

	Deferred tax £
Charge to Statement of Comprehensive Income during period	<u>1,735</u>
Balance at 31 August 2021	<u><u>1,735</u></u>

**22. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
850	A ordinary	£1	850
150	B ordinary	£1	<u>150</u>
			<u><u>1,000</u></u>

850 A ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

150 B ordinary shares of £1 each were allotted as fully paid at a premium of £65.6667 per share during the period.

The A ordinary and B ordinary shares rank pari passu in all respects apart from dividend rights. Dividends can be declared in such amounts and proportions as between the different classes of shares as the directors think fit.

**23. RESERVES****Group**

	Retained earnings £	Share premium £	Totals £
Profit for the period	528,679	-	528,679
Cash share issue	-	9,850	9,850
At 31 August 2021	<u><u>528,679</u></u>	<u><u>9,850</u></u>	<u><u>538,529</u></u>

**Company**

	Retained earnings £	Share premium £	Totals £
Profit for the period	4,463	-	4,463
Cash share issue	-	9,850	9,850
At 31 August 2021	<u><u>4,463</u></u>	<u><u>9,850</u></u>	<u><u>14,313</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**24. PENSION COMMITMENTS**

The group contributes to defined contribution personal pension schemes. The pension cost charge related to contributions attributable to these schemes and amounted to £47,875.

**25. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	£
Profit before taxation	685,151
Depreciation charges	169,315
Profit on disposal of fixed assets	(3,738)
Finance costs	139,797
Finance income	<u>(546)</u>
	989,979
Increase in stocks	(1,305,972)
Increase in trade and other debtors	(3,401,394)
Increase in trade and other creditors	<u>3,882,862</u>
<b>Cash generated from operations</b>	<u><u>165,475</u></u>

**26. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 31 August 2021**

	31.8.21	22.10.20
	£	£
Cash and cash equivalents	<u>469,987</u>	<u>-</u>

**27. ANALYSIS OF CHANGES IN NET DEBT**

	At 22.10.20	Cash flow	Acquisition of subsidiary undertaking	Other non-cash changes	At 31.8.21
	£	£	£	£	£
<b>Net cash</b>					
Cash at bank	<u>-</u>	<u>(1,268,775)</u>	<u>1,738,762</u>		<u>469,987</u>
	<u>-</u>	<u>(1,268,775)</u>	<u>1,738,762</u>		<u>469,987</u>
<b>Debt</b>					
Finance leases	-	12,315	(32,625)	(43,235)	(63,545)
Debts falling due within 1 year	-	(1,410,281)	-	-	(1,410,281)
Debts falling due after 1 year	<u>-</u>	<u>(3,449,500)</u>	<u>-</u>	<u>-</u>	<u>(3,449,500)</u>
	<u>-</u>	<u>(4,847,466)</u>	<u>(32,625)</u>	<u>(43,235)</u>	<u>(4,923,326)</u>
<b>Total</b>	<u>-</u>	<u>(6,116,241)</u>	<u>1,706,137</u>	<u>(43,235)</u>	<u>(4,453,339)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 22 OCTOBER 2020 TO 31 AUGUST 2021**

**28. ACQUISITION OF SUBSIDIARY UNDERTAKING**

On 23 February 2021 the company acquired the entire issued share capital of Masteel (UK) Limited. Turnover since acquisition to the end of the financial year amounted to £10,498,066 on which a profit after tax of £802,821 was achieved. No fair value adjustments were considered necessary to the book value of net assets on acquisition.

Net assets acquired:

	£
Tangible fixed assets	
Plant and machinery	60,035
Fixtures and fittings	55,710
Motor vehicles	60,000
Stocks	1,391,523
Debtors	2,308,439
Cash at bank	1,738,762
Creditors	(1,709,345)
Deferred tax	(9,960)
	<hr/>
	3,895,164
Acquisition cost	8,128,771
Goodwill	<hr/>
	4,233,607

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