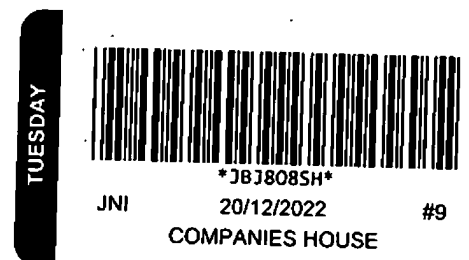
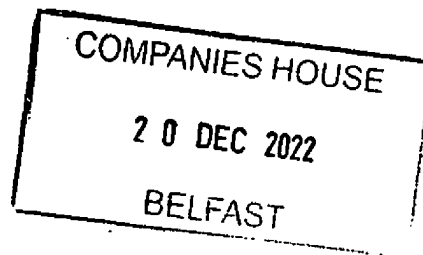


GM Steel Newark Limited
Abridged Financial Statements
for the financial year ended 31 March 2022



GM Steel Newark Limited

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INDEPENDENT AUDITOR'S REPORT

to the Shareholders of GM Steel Newark Limited

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of GM Steel Newark Limited ('the company') for the financial year ended 31 March 2022 which comprise the Abridged Profit and Loss Account, the Abridged Balance Sheet and notes to the financial statements, including significant accounting policies set out in note 2. 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" Section 1A (Small Entities).

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the financial 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.

In all other respects, in our opinion the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the Provisions Available for Audits of Small Entities, in the circumstances set out in Note 4 to the financial statements, 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.

We planned our audit so as to obtain the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we did not attend the stocktake at the year end. As a consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and conditions of stocks and work in progress, appearing in the balance sheet at £119,197. Any adjustment to this figure would have a consequential significant effect on the profit for the year.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the director 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 director is 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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of GM Steel Newark Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report.

Responsibilities of director for the financial statements

The director is 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 they 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations relating to GM Steel Newark Limited, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks. Audit procedures were performed to assess and review these risks.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is contained in the appendix to this report, located at page 6, which is to be read as an integral part of our report.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of GM Steel Newark 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Donnan (Senior Statutory Auditor)

for and on behalf of

BAKER TILLY KIRK

Chartered Certified Accountants and Statutory Auditors

Mill House

Mill Street

Dundalk

Co. Louth

Ireland

16 December 2022

GM Steel Newark Limited

APPENDIX TO THE INDEPENDENT AUDITOR'S REPORT

Further information regarding the scope of our responsibilities as auditor

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 purpose of expressing an opinion on the effectiveness of the company'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 director's 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 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 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.

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.

GM Steel Newark Limited
ABRIDGED PROFIT AND LOSS ACCOUNT
for the financial year ended 31 March 2022

	Notes	2022 £	2021 £
Gross profit		592,991	533,736
Administrative expenses		(554,270)	(556,189)
Other operating income		18,813	28,997
Operating profit		57,534	6,544
Interest payable and similar expenses		(908)	-
Profit before taxation		56,626	6,544
Tax on profit		54,811	(3,810)
Profit for the financial year		111,437	2,734
Total comprehensive income		111,437	2,734

GM Steel Newark Limited
Company Registration Number: 01544888
ABRIDGED BALANCE SHEET
as at 31 March 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible assets	7	<u>311,114</u>	<u>328,697</u>
Current Assets			
Stocks		501,486	446,693
Debtors		2,562,147	2,354,313
Cash and cash equivalents		571,925	370,670
		<u>3,635,558</u>	<u>3,171,676</u>
Creditors: amounts falling due within one year		<u>(3,407,993)</u>	<u>(3,058,263)</u>
Net Current Assets		<u>227,565</u>	<u>113,413</u>
Total Assets less Current Liabilities		<u>538,679</u>	<u>442,110</u>
Creditors: amounts falling due after more than one year		(32,174)	(45,040)
Provisions for liabilities		<u>(19,251)</u>	<u>(21,253)</u>
Net Assets		<u><u>487,254</u></u>	<u><u>375,817</u></u>
Capital and Reserves			
Called up share capital		100	100
Revaluation reserve		65,053	65,053
Retained earnings		422,101	310,664
Equity attributable to owners of the company		<u><u>487,254</u></u>	<u><u>375,817</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A (Small Entities).

All of the members have consented to the preparation of abridged accounts in accordance with section 444(2A) of the Companies Act 2006.

The company has taken advantage of the exemption under section 444 not to file the Director's Report.

Approved by the Director and authorised for issue on 16 December 2022



Patrick G Muckian
Director

GM Steel Newark Limited

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the financial year ended 31 March 2022

1. General Information

GM Steel Newark Limited is a company limited by shares incorporated in the United Kingdom. The registered office of the company is Jessop Way, Newark, Notts, NG24 3ER, United Kingdom which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the Director's Report. The financial statements have been presented in Pound (£) which is also the functional currency of the company.

2. Summary of Significant Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 March 2022 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Turnover

Turnover comprises the invoice value of goods supplied by the company, exclusive of trade discounts and value added tax.

Intangible assets

Goodwill

Purchased goodwill arising on the acquisition of a business represents the excess of the acquisition cost over the fair value of the identifiable net assets including other intangible fixed assets when they were acquired. Purchased goodwill is capitalised in the Balance Sheet and amortised on a straight line basis over its economic useful life of 20 years, which is estimated to be the period during which benefits are expected to arise. On disposal of a business any goodwill not yet amortised is included in determining the profit or loss on sale of the business.

Tangible assets and depreciation

Tangible assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible assets, less their estimated residual value, over their expected useful lives as follows:

Land and buildings freehold	- 2% Straight line
Plant and machinery	- 15% - 20% Straight line
Fixtures, fittings and equipment	- 20% Straight line
Motor vehicles	- 25% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

GM Steel Newark Limited
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
for the financial year ended 31 March 2022

continued

Borrowing costs

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the same value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Employee benefits

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

Taxation and deferred taxation

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the financial year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Government grants

Capital grants received and receivable are treated as deferred income and amortised to the Profit and Loss Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Profit and Loss Account when received.

The company was in receipt of government funding to support the retention of staff.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Ordinary share capital

The ordinary share capital of the company is presented as equity.

3. Significant accounting judgements and key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

a) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value 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 future investments, economic utilisation and the physical condition of the assets.

b) Carrying value of stock

for the financial year ended 31 March 2022

Stock represents goods for resale and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs necessary to make the sale. Provision is made for obsolete and slow moving stock based on historical experience.

c) Recoverability of debtors

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

d) Provisions & accruals

Provisions by their nature are liabilities with an uncertain timing or amount. These provisions require management's best estimate in relation to the future cash outflows likely to arise in connection with obligations existing at the reporting date.

4. Provisions Available for Audits of Small Entities

In common with many other businesses of our size and nature, we use our auditors to prepare and submit tax returns to Her Majesty's Revenue and Customs and to assist with the preparation of the financial statements.

5. Employees

The average monthly number of employees, including director, during the financial year was 10, (2021 - 10).

	2022 Number	2021 Number
Production	5	5
Office	4	4
Director	1	1
	<u>10</u>	<u>10</u>

6. Intangible assets

	Goodwill £	Total £
Cost		
At 1 April 2021	<u>22,000</u>	<u>22,000</u>
At 31 March 2022	<u>22,000</u>	<u>22,000</u>
Amortisation		
At 31 March 2022	<u>22,000</u>	<u>22,000</u>
Net book value		
At 31 March 2022	<u>-</u>	<u>-</u>

GM Steel Newark Limited
NOTES TO THE ABRIDGED FINANCIAL STATEMENTS
for the financial year ended 31 March 2022

continued

7. Tangible assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or Valuation					
At 1 April 2021	369,569	98,259	45,314	71,118	584,260
Additions	-	-	-	5,000	5,000
Disposals	-	-	-	(9,650)	(9,650)
At 31 March 2022	369,569	98,259	45,314	66,468	579,610
Depreciation					
At 1 April 2021	64,636	97,490	40,607	52,830	255,563
Charge for the financial year	7,391	583	2,079	10,692	20,745
On disposals	-	-	-	(7,812)	(7,812)
At 31 March 2022	72,027	98,073	42,686	55,710	268,496
Net book value					
At 31 March 2022	297,542	186	2,628	10,758	311,114
At 31 March 2021	304,933	769	4,707	18,288	328,697

8. Capital commitments

The company had no capital commitments at the year end.

9. Parent company

The company regards Porthouse Holdings Limited as its parent company. Porthouse Holdings Limited is a company registered in the Republic of Ireland.

10. Post-Balance Sheet Events

There have been no significant events affecting the company since the financial year-end.