

**MBM GROUP SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**MBM GROUP SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R Robinson M Welden
<b>Registered number</b>	09453951
<b>Registered office</b>	14th Floor 33 Cavendish Square London W1G 0PW
<b>Independent auditors</b>	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

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**MBM GROUP SERVICES LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Introduction**

The directors present the strategic report for the year ended 31 December 2021.

The principal activity is that of a Holding Company. The principal activity of the main subsidiary is that of a steel stockholders. For further detail see note 12.

**Business review**

The business provides management services and expertise to its main trading subsidiaries. There has been no change to the nature of these services during the period. The Board are continually looking for further acquisition opportunities that will compliment the other companies within the Group.

**Principal risks and uncertainties**

The main risks to the Company surround the underlying performance of its trading subsidiaries. The specific risks attached to each are outlined in the individual accounts for those companies.

**Financial key performance indicators**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs, beyond the primary financial measures including turnover and profitability, is not necessary for an understanding of the development, performance or position of the business.

**Financial instruments**

The Company's financial instruments principally comprise of cash at bank and shareholder loans. It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Company's financial instruments is interest on the shareholder loans which is fixed for the duration of the loan.

The Board do not therefore consider it appropriate to enter into any interest rate hedging instruments.

**Covid-19 impact statement**

The global Coronavirus pandemic has caused unprecedented uncertainty across all business sectors with the direct impact and ripple effect of the economic fallout currently unknown.

The health & safety and welfare of our staff, customers and suppliers is of paramount importance to the Group.

The Group has developed and deployed, safe systems of work procedures with regards to Covid-19, these have helped mitigate the spread of Covid-19, enabling the Group to continue to trade during the pandemic.

The Group continues to monitor closely the government and WHO guidance to ensure compliance with those guidelines in providing a safe environment for all concerned.

This report was approved by the board on 30 September 2022 and signed on its behalf.

**M Welden**  
Director

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## MBM GROUP SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Results and dividends

The profit for the year, after taxation, amounted to £931,430 (2020 - £112,438).

#### Directors

The directors who served during the year were:

R Robinson

M Welden

#### Directors' responsibilities statement

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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**MBM GROUP SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Auditors**

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2022 and signed on its behalf.

**M Welden**

Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBM GROUP SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of MBM Group Services Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Company's affairs as at 31 December 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBM GROUP SERVICES LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

**Opinion 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBM GROUP SERVICES LIMITED (CONTINUED)

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**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.

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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the company, including its management structure and control systems, including the opportunity for management to override such controls;
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards and Company Law and tax;
- management bias in selecting accounting policies and determining estimates;
- inappropriate journal entries; and
- recoverability of debtors;

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MBM GROUP SERVICES LIMITED (CONTINUED)**

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Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
  - identifying and testing journal entries
  - assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements; and
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

**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.

Daryush Farshchi-Heidari (FCA) (Senior statutory auditor)  
for and on behalf of

**Simmons Gainsford LLP**

Chartered Accountants

Statutory Auditors

14th Floor

33 Cavendish Square

London

W1G 0PW

30 September 2022

MBM GROUP SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	590,400	562,000
<b>Gross profit</b>		<u>590,400</u>	<u>562,000</u>
Administrative expenses		(624,752)	(668,755)
Other operating income		1,030,368	-
<b>Operating profit/(loss)</b>		<u>996,016</u>	<u>(106,755)</u>
Income from fixed assets investments		-	266,160
Interest receivable and similar income	9	120,493	122,677
Interest payable and expenses	10	(185,079)	(169,644)
<b>Profit for the financial year</b>		<u><u>931,430</u></u>	<u><u>112,438</u></u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 19 form part of these financial statements.

**MBM GROUP SERVICES LIMITED**  
**REGISTERED NUMBER: 09453951**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	12	19,897,286	19,897,299
		<u>19,897,286</u>	<u>19,897,299</u>
<b>Current assets</b>			
Debtors	13	3,243,766	2,353,717
Cash at bank and in hand		190,839	160,958
		<u>3,434,605</u>	<u>2,514,675</u>
Creditors: amounts falling due within one year	14	(21,842,164)	(21,853,677)
<b>Net current liabilities</b>		(18,407,559)	(19,339,002)
<b>Net assets</b>		<u><u>1,489,727</u></u>	<u><u>558,297</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	564,075	564,090
Capital redemption reserve	16	65,015	65,000
Profit and loss account	16	860,637	(70,793)
		<u><u>1,489,727</u></u>	<u><u>558,297</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2022.

**M Welden**  
Director

The notes on pages 11 to 19 form part of these financial statements.

**MBM GROUP SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	564,075	65,000	(183,231)	445,844
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	112,438	112,438
<b>Total comprehensive income for the year</b>	-	-	112,438	112,438
Shares issued during the year	15	-	-	15
<b>At 1 January 2021</b>	564,090	65,000	(70,793)	558,297
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	931,430	931,430
Purchase of own shares	-	15	-	15
Shares redeemed during the year as part of purchase of own shares	(15)	-	-	(15)
<b>At 31 December 2021</b>	<u>564,075</u>	<u>65,015</u>	<u>860,637</u>	<u>1,489,727</u>

The notes on pages 11 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

The company is a private limited company, incorporated in England and Wales and its registered office is 14th Floor, 33 Cavendish Square, London, W1G 0PW.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements contain information about MBM Group Services Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of Breal Capital Limited, a company registered in England & Wales, and the parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared.

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Breal Capital Limited as at 31 December 2021 and these financial statements may be obtained from 14th Floor, 33 Cavendish Square, London, W1G 0PW.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.3 Going concern**

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The global Coronavirus pandemic has caused unprecedented uncertainty across all business sectors with the direct impact and ripple effect of the economic fallout currently unknown.

The Group has taken advantage of assistance provided by the Government where appropriate to ensure it remains in a strong position to continue to meet its financial obligations and growth needs. The Directors consider it correct to continue to prepare financial statements on a going concern basis.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.8 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.10 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or the period of the revision and future periods where the revision affects both current and future periods.

The directors consider there to be no significant areas of judgements of key sources of estimation uncertainty.

**4. Turnover**

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

**5. Other operating income**

	2021 £	2020 £
Profit on disposal of fixed asset investments	<u>1,030,368</u>	<u>-</u>

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**MBM GROUP SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**6. Auditors' remuneration**

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**7. Employees**

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Management	<u>2</u>	<u>2</u>

**8. Income from investments**

	2021 £	2020 £
Dividends received from subsidiary undertaking	<u>-</u>	<u>266,160</u>

**9. Interest receivable**

	2021 £	2020 £
Interest receivable from group companies	<u>120,493</u>	<u>122,677</u>

**10. Interest payable and similar expenses**

	2021 £	2020 £
Other loan interest payable	57,374	52,589
Loans from group undertakings	127,705	117,055
	<u>185,079</u>	<u>169,644</u>

**MBM GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Taxation**

	2021 £	2020 £
	<u>          </u>	<u>          </u>
<b>Total current tax</b>	<u>          </u> -	<u>          </u> -

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
	<u>          </u>	<u>          </u>
Profit on ordinary activities before tax	931,430	112,438
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	176,972	21,363
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,430	535
Non-taxable income	(195,770)	(50,570)
Unrelieved tax losses carried forward	17,368	28,672
	<u>          </u>	<u>          </u>
<b>Total tax charge for the year</b>	<u>          </u> -	<u>          </u> -

**Factors that may affect future tax charges**

On 3 March 2021, the Government announced an increase in the rate of corporation tax to 25% from 1 April 2023 on all profits when they exceed £250,000 and this change in rate was enacted on 10 June 2021. Subsequent to the year end, the Government has indicated that the rise will not occur and Corporation Tax will remain at 19% for all companies.

**MBM GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Fixed asset investments**

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 January 2021	19,897,286	13	19,897,299
Disposals	-	(13)	(13)
	<u>19,897,286</u>	<u>-</u>	<u>19,897,286</u>
At 31 December 2021			

**Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Barclay & Mathieson Limited	Steel stockholders	Ordinary	100 %
Breal Capital (SES) Limited	Dormant	Ordinary	100 %
South Essex Stockholders Limited	Dormant	Ordinary	100 %
Clifda Products Limited (I)	Dormant	Ordinary	100 %
Clifda Steel Limited (I)	Dormant	Ordinary	100 %
Alcyon Capital Management Limited (II) *	Property holding company	Ordinary	100 %
Avon Steel Company (II)	Steel stockholders	Ordinary	100 %
Steel Plate and Sections Limited (II) *	Processing of high yield structural products for the Energy and Construction sectors	Ordinary	100 %
Breal Capital (Pulman) Holdings Limited (II)	Holding company	Ordinary	100 %
Abram Pulman & Sons Limited (III)	Steel stockholders	Ordinary	100 %

(I) shares held via South Essex Stockholders Limited

(II) shares held via Barclay & Mathieson Limited

(III) shares held via Breal Capital (Pulman) Holdings Limited

\* Subsequent to the year end these subsidiary undertakings have entered into member voluntary liquidations.

**MBM GROUP SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	352,400	1,000,000
	<u>352,400</u>	<u>1,000,000</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	2,613,310	1,153,627
Other debtors	278,056	200,090
	<u>3,243,766</u>	<u>2,353,717</u>

**14. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	5,707	-
Amounts owed to group undertakings	21,422,591	21,294,886
Other taxation and social security	-	400
Other creditors	408,866	553,391
Accruals and deferred income	5,000	5,000
	<u>21,842,164</u>	<u>21,853,677</u>

**15. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
564,000 (2020 - 564,000) Ordinary shares of £1.00 each	564,000	564,000
50 (2020 - 50) Ordinary B shares of £1.00 each	50	50
25 (2020 - 25) Ordinary C shares of £1.00 each	25	25
0 (2020 - 15) Ordinary D shares of £1.00 each	-	15
	<u>564,075</u>	<u>564,090</u>

During the year 15 Ordinary D shares of £1 each were purchased by the company at par value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**16. Reserves**

**Capital redemption reserve**

Being a reserve formed for the protection of distributable reserves after a reduction in capital.

**Profit and loss account**

Represents all current and prior period retained profit and loss and does not contain any non-distributable reserves.

**17. Contingent liabilities**

The company has guaranteed any bank debts of its subsidiary undertaking.

**18. Related party transactions**

During the year fees of £590,400 (2020: £618,600) were charged to the company by a company under common control.

**19. Controlling party**

At 31 December 2021 the immediate and ultimate parent company was Breal Capital Limited, a company registered in England and Wales. Breal Capital Limited (09147981) is registered at 14th Floor, 33 Cavendish Square, London, W1G 0PW.

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