

EXHIBIT "JH-4"

AFFIDAVIT OF JOSEPH HAYES DATED 4 MARCH 2026

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Corporations List
Registry	Supreme Court Sydney
Case number	2025/00300503

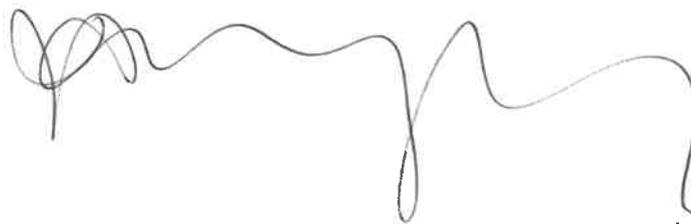
TITLE OF PROCEEDINGS

Plaintiff	Coal Mines Insurance Pty Ltd (ACN 000 011 727)
Defendant	Tahmoor Coal Pty Ltd (ACN 076 663 968) (Administrators Appointed)

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "JH-4" referred to in the affidavit of Joseph Hayes sworn before me on 4 March 2026.

Signature of witness	
Name of witness	Kathryn Suteland-Smith
Address of witness	Level 41, 88 Phillip Street Sydney NSW 2000
Capacity of witness	Solicitor



4 March 2026

Joseph Hayes
Level 17/68 Pitt St
Sydney NSW 2000

By email only: jhayes@wexted.com

Cc: cjohnson@wexted.com; nbanka@wexted.com; rwilson@wexted.com

Dear Colleagues,

**In the matter of Tahmoor Coal Pty Ltd (Administrators Appointed) ACN 076 663 968 (Tahmoor)
Proceeding No. 2025/00300503 (Proceedings)**

We refer to our letters to you dated 12, 17 and 20 February 2026, our discussion with you on 24 February 2026, the Tahmoor's Committee of Inspection (COI) meetings held on 25 February 2026 and 3 March 2026, your latest letter dated 25 February 2026, and your affidavit dated 3 March 2026 (**Affidavit**). Our position remains as outlined in our earlier correspondence and our affidavit material.

Background

We are writing to you in our capacity as Deed Administrators of LPMA being the ultimate parent company of Tahmoor and, importantly, its single largest unsecured creditor. We are concerned by the potential erosion of value insofar as LPMA's equity interest is concerned. Any erosion of value will also obviously impact unsecured creditors such as LPMA.

We note, as outlined during the COI meeting on 3 March, that:

- A. CMI has refused to consent to any further adjournment of its winding up application and wishes to proceed to a hearing of same; and
- B. CMI has questioned Tahmoor's date of insolvency and the implications of that for any liquidation.

The concerns and observations we have set out below are raised in the above context.

We note you intend to commence a new, independent sale process, should your appointment continue following the hearing on 5 March 2026. Given the matters set out in our earlier correspondence, we do not understand, nor do we share the view, that commencing a new sale process would be in the best interests of Tahmoor's creditors or members. Our position is informed by, amongst other things, the following matters.

Level 29, 66 Goulburn Street, Sydney NSW 2000
Level 7, 3 Horwood Place, Parramatta NSW 2150
Level 4, 23 National Circuit, Barton ACT 2600

+61 2 8263 4000
+61 2 8263 4000
+61 2 6126 8500

nsw.info@williambuck.com
nsw.info@williambuck.com
act.info@williambuck.com
williambuck.com

Asset Sale Process

1. On 22 January 2026, we commenced our sale process, requiring interested parties to submit their interest by 11 February 2026, and for those parties to provide Non-Binding Indicative Offers by 27 February 2026. Our sale campaign further contemplated that by early April 2026, we would be negotiating with our preferred bidders. As late as 2 March, we have received ongoing engagement with interested parties.
2. You have been appointed to Tahmoor since 9 February 2026 and have yet to start a sale campaign. Your campaign, the details of which have still not been provided, appears to run on an overly ambitious and expeditious timeframe that is to complete sometime in May 2026. We can only conclude from the matters raised within this letter, including your lack of corporate finance experience and estimates as to the length of time required for an independent valuation, that the timeline for your sale campaign is misconceived. Additionally, in circumstances where you have advised that the costs of the care and maintenance of the mine is between \$10-12 million per month to be repaid *in priority* to unsecured creditor claims, we cannot understand how you conclude that your sale process is in the best interests of Tahmoor's creditors. It is, of course, for you to explain, in precise terms, how the interests of Tahmoor's creditors are served by you embarking on the course you outlined. In our respectful view, beyond asserting, without any objective facts, that *you* consider a sale process solely controlled by you is appropriate, it is not apparent how the interests of Tahmoor's creditors (particularly its unsecured creditors, including LPMA) will be served.
3. In the time since your appointment, we have proposed that we continue our sale campaign collaboratively, in circumstances where we have received significant interest from parties, including but not limited to a Non-Binding Indicative Offer as late as 2 March 2026. However, our attempts to collaborate have been repeatedly dismissed by you without providing any sound reasons for not collaborating on our sale campaign or why you have delayed the start of your sale campaign to a month *after* your appointment. As stated at paragraph 55 of your affidavit, the only reason you have provided for this delay is that you are seeking certainty of your appointment, as any uncertainty as to the continuation of Tahmoor's administration would likely affect the confidence of prospective buyers. How you reconcile that view as against the interests of Tahmoor's creditors has not been explained to date.
4. If anything, your decision to undertake your own sale process is likely to affect the confidence of prospective buyers. This is particularly so given the steps of your process outlined at paragraph 53 of your Affidavit, which practically mirror the steps in our sale process already underway and in which we have already received non-binding indicative offers. You also state at paragraph 54 of your Affidavit that you have not formed a view as to whether a share or asset sale is likely to achieve the most favourable outcome for Tahmoor's creditors. This is a reversion of your former position that you wished to undertake a share level transaction. Clearly you have adopted inconsistent positions and the underlying reasons have not been explained. In our respectful view, it would be irrational, and contrary to the interests of Tahmoor's creditors, to cease the current process underway and to commence a "new" process in substantially the same format, rather than collaborate on a joint share and asset sale. You have yet to clearly articulate to us:
 - a. the reasons why you believe it would *not* be in the best interests of Tahmoor's creditors and all other stakeholders for the Tahmoor Administrators and LPMA Deed Administrators to jointly undertake a sale campaign at both the asset and share level; and

- b. what risks, disadvantages or prejudices you consider Tahmoor's creditors might incur by you taking a collaborative approach.
5. You have indicated that you wish to run a sale campaign independent of the LPMA DOCA to protect your process from any potential misalignment between the interests of Tahmoor's creditors and the LPMA DOCA. You have also indicated at paragraph 62 of your Affidavit that you do not understand how the LPMA Administrators will provide distributions to Tahmoor's creditors. However, as we have stated in our correspondence to you dated 20 February 2026 and with reference to the attached Expressions of Interest advertisement dated 22 January 2026, our process has always had the singular mandatory requirement of interested parties to formulate an offer that "includes the settlement of all Tahmoor secured and unsecured creditor claims". Where the LPMA Deed Administrators have only ever sought to pay out Tahmoor's creditors in full, it belies us to understand how there is any ambiguity as to how Tahmoor's creditors would be paid out under our sale process or how our interests could in any way conflict with your duties to maximise the return to Tahmoor's creditors. If anything, your correspondence and unwillingness to engage with us to date seems to ignore your duties to Tahmoor's shareholder, being the ultimate beneficiary of the material equity in Tahmoor. We have and continue to reserve our rights in that regard.
6. We understand that you have formed a view as to the transactional path you wish to take on the basis of 'banking advice' you have received from numerous yet to be identified banks, as well as the views of unidentified government bodies and certain creditors. It is not apparent to us why such advice is being sought outside a formal engagement, from whom precisely it is being sought, why it would fundamentally inform the type of sale process or, to what degree (if any) Tahmoor's secured creditors are involved in those discussions. That being the case, we question the basis upon which you are receiving, and seemingly accepting, the 'banking advice' you have referred to.
7. Without the substantive reasons for why you have chosen to undertake a separate sale process, we struggle to understand the course that you wish to embark upon where there will be considerable overlap and, as a result, confused messaging with interested parties in the market. Our inability to understand your position is particularly acute given that you have repeatedly declined our proposal to jointly undertake an asset sale (overseen by the Tahmoor Administrators) and a share sale (overseen by the LPMA Deed Administrators) in parallel.

Interested Party Creditors

8. From our discussions with you as well as our participation in the COI meetings, we are concerned that the views of certain creditors, who are also interested parties in the sale process of Tahmoor's shares and/or assets, are being accepted without adequate scrutiny (if any). To the extent that the advice and input you refer to is coming from third parties with vested interests in the outcome of your intended process we trust that you will bear those vested (and in our view conflicted) interests in mind.

No Expertise or Experience

9. We have previously written to you and raised our concerns as to the limited experience and expertise your firm can bring to bear in attempting to sell an asset as significant as Tahmoor's mine. Whilst we make no criticism of you or your co-appointee and we fundamentally appreciate

you are experienced insolvency practitioners, the reality is your firm has no corporate finance, M&A transactional, tax structuring, regulatory, environmental or resources specific expertise or experience, of the kind required to properly and comprehensively engage in a sale process of assets like the mine.

Engagement of an Investment Bank

10. We understand you wish to make an appointment of at least one investment bank. It is not apparent to us the basis upon which such an appointment would be made by you, having regard to our concerns above. We also do not know how such a bank may be remunerated, what funding would be relied upon for its remuneration, how the remuneration of any bank would impact the interests of creditors and if so (in what sum), how the proposed terms of engagement would be appropriate in all the circumstances and adequately protect the interests of creditors and, importantly, how you are best placed to make a determination as to all of the above.
11. Those are all significant matters which warrant careful consideration and, indeed, the engagement of all stakeholders.

Robust and Independent Valuation Process

12. During the COI meeting on 3 March you indicated that you do not have a brief out with a well-qualified and independent firm to provide valuation advice in relation to Tahmoor's Mine and business. Despite this, you indicated that you would consider a going-concern sale in respect of the Mine. In circumstances where there is no pending independent valuation and your firm has no internal expertise or experience in valuations of resources assets, it is not apparent to us how you could sensibly consider a going-concern sale process.
13. An advantage to the sale campaign we have undertaken is that it preserves the strategic value of the mine as between each of the interested parties. Any independent valuation would have no ability or basis to account for the mine's strategic value.
14. An independent valuation of the mine would firstly require a baseline of its financial performance prior to its closing. This can be done by assessing, for example, existing and future production, current and future cash flows, timing for expansion and customer contracts. That assessment would be done on a discounted cash flow basis. The valuation would then have to turn to assessing the current position of mine operations and ability to restart. This can be done by assessing the restart costs, creditor liabilities, Opex, immediate capex needs and the ability to restart customer contracts. This would enable an adjustment of forward-looking cash flows to arrive at a number of values based on different scenarios.
15. Given the complexity of the mine asset, it would take **a minimum** of 3 to 4 weeks to undertake that valuation process, after receipt of all the required information to undertake the assessment. The valuation would cost a considerable sum and would be dependent on the quality and accuracy of the underlying data and financial records.
16. The minimum amount of time required to undertake an independent valuation of the mine has clearly not been accounted for in your sale timeline.

Our position otherwise remains as previously outlined to you in our correspondence. We otherwise note you have confirmed that you do not require any further information or documents from us. We will take appropriate steps in relation to our sale process pending the outcome of the hearing scheduled for 5 March 2026. In the meantime, if a Teams meeting might assist, please let us know.

Yours faithfully



Michael Brereton
Joint and Several Deed Administrator

Encl.
Expression of Interest advertisement

SEEKING EXPRESSIONS OF INTEREST

Michael Brereton, Rashnyl Prasad and Sean Wengel of William Buck, as Deed Administrators of Liberty Primary Metals Australia Pty Ltd (Subject to Deed of Company Arrangement), and the directors of Tahmoor Coal Pty Ltd, request expressions of interest for the sale of the company's shares in Tahmoor Coal Pty Ltd, the owner operator of the Tahmoor Coal underground coal mining operation situated in the Wollondilly region of New South Wales.

The Opportunity

- Rare opportunity to acquire ownership of a large-scale underground hard coking coal mine via the sale of shares by its parent company.
- Asset-level fundamentals remain strong, with prior operational suspension driven by parent balance sheet issues rather than mine performance.
- New owner can restart operations and immediately control a proven, revenue-generating metallurgical coal asset.

Asset Highlights

- Established underground longwall mine producing premium hard coking coal for domestic and international steel markets.
- Significant remaining reserves and resources supporting long-term production and expansion potential.
- Substantial installed infrastructure including longwall equipment, coal handling and preparation plant, rail loop, and export connectivity.
- Historically profitable operation with demonstrated capacity to generate strong operating cash flows.
- Experienced and skilled workforce in place with operational restart capability.
- Exposure to global steel demand with diversification across export and domestic customers.

Stakeholder Benefits

- Secures hundreds of direct jobs and supports regional economic stability in the local community.
- Enables continuity of a viable mining operation rather than prolonged suspension or closure.
- Supports repayment outcomes for creditors of the parent company through value realisation.
- Restores certainty for employees, contractors, customers, and government stakeholders.
- Aligns with government and community objectives to maintain safe, sustainable mining operations in NSW.

Deal Requirement

- Interested parties must be able to demonstrate strong financial capacity and ability to structure an acquisition package that includes settlement of all Tahmoor secured and unsecured creditor claims and provision of sufficient restart working capital.

Expressions of Interest to be submitted by 5pm (AEDT)
on Wednesday 11 February 2026 in writing to
TahmoorEOI@williambuck.com

WilliamBuck



From: [REDACTED]
Sent: Wednesday, 4 March 2026 5:50 PM
To: Sutherland-Smith, Kathryn; [REDACTED]
Cc: Joseph, Claire L.
Subject: VA funding opportunity

This Message Is From an External Sender

If you are concerned about the message's content, highlight the email in your inbox and click "Report Suspicious" in the Outlook ribbon -or- contact 6Help.

[Report Suspicious](#)

Hi Kathryn,

Thanks for the call earlier.

As discussed, [REDACTED] is keen to provide funding to Tahmoor through the VA process on a super senior basis and/or to provide staple financing to potential bidders on the asset.

[REDACTED] has been an active lender to the coal mining sector in Australia having lend to [REDACTED] and multiple other coal assets.

Best regards,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: Cameron Cheetham <cameron.cheetham@corrs.com.au>
Sent: Wednesday, 4 March 2026 8:32 PM
To: Dobson, Roger; Sutherland-Smith, Kathryn
Cc: Michael Catchpoole; Michelle Gordon; Tom Schinckel
Subject: Tahmoor Coal

This Message Is From an External Sender

If you are concerned about the message's content, highlight the email in your inbox and click "Report Suspicious" in the Outlook ribbon -or- contact 6Help.

[Report Suspicious](#)

Roger and Kathryn,

I refer to our calls this afternoon.

I confirm that our potential clients in this matter, who are established clients of the Firm, consent, if the voluntary administrators consider it appropriate, to the voluntary administrators informing the court that Corrs has been asked to assist experienced strategic capital providers to fund the voluntary administrators and potentially the successful acquirer of the Tahmoor mine, subject to access to appropriate due diligence material. We understand that other advisors have also been approached to assist and our potential clients are prepared to make an investment in the costs of undertaking the due diligence, subject to a suitable exclusivity period being agreed with the voluntary administrators.

Regards
Cam

Cameron Cheetham | Partner
Corrs Chambers Westgarth
t +61 2 9210 6122 m +61 409 433 088 e cameron.cheetham@corrs.com.au
[corrs.com.au](https://www.corrs.com.au)

Our full email footer is available at <https://www.corrs.com.au/privacy>. In summary: This email and attachments may be confidential and subject to copyright or legal professional privilege. If you received this email in error, please inform the sender immediately, delete it and do not use, copy or disclose it. To unsubscribe from marketing messages, contact privacy@corrs.com.au.

From: Wardrop, Allan <AWardrop@oaktreecapital.com>
Sent: Wednesday, 4 March 2026 4:20 PM
To: Dobson, Roger
Cc: Timothy Sackar (timothy.sackar@whitecase.com); Tang, Ashleigh; Erin Buczynski; Chris Johnson; Joe Hayes; Mittal, Anirudh; Parasrampurria, Gaurav; Sharma, Raunika; 'Teresa Kwok'
Subject: Tahmoor: Hearing for winding up

This Message Is From an External Sender

If you are concerned about the message's content, highlight the email in your inbox and click "Report Suspicious" in the Outlook ribbon -or- contact 6Help.

[Report Suspicious](#)

Dear Jones Day

I am writing with respect to the hearing tomorrow in the Supreme Court of NSW in relation to the application for winding up of Tahmoor Coal Pty Ltd raised by Coal Mines Insurance Pty Ltd.

Whilst Oaktree will not be sending representative counsel to the hearing tomorrow, I can confirm that Oaktree as secured lender is supportive of Tahmoor continuing in administration as opposed being placed into liquidation. It is typically the view that liquidation is value-destructive, and we do not see why this case would be different. Therefore, in the scenario where there is a funded administration vs a funded liquidation, Oaktree is firmly of the view that a solution should be found out of administration in preference to liquidation, and that liquidation should only be adopted as a last resort in the event that administration fails to achieve an appropriate result.

I confirm that this email can be shared with the Court as a representation of the views of Oaktree in relation to the hearing.

Kind regards

Allan Wardrop-Szilagyi

*Managing Director and Restructuring Lawyer
Opportunistic Credit*

Oaktree Capital Management
Suite 6101, 61/Floor, Two International Finance Centre
8 Finance Street
Central, Hong Kong
P +852 3655 6894 M +852 9266 8325
AWardrop@oaktreecapital.com



View important disclosures and information about our e-mail policies, including how to update your marketing preferences, [here](#).

For more information on our privacy practices please visit our [Privacy Policy](#).

4 March 2026

**Tahmoor Coal Pty Ltd (Administrators Appointed)
ACN 076 663 968 (“the Company”)**

Updated Estimated Outcome Statement (“EOS”)

We provide a further updated estimate of the return to creditors under the Voluntary Administration / Sale scenario and under a forced and immediate liquidation scenario compared to a VA / Sale scenario and planned liquidation scenario.

Our estimated voluntary administration return to creditors has attributed values to the business and its assets on an orderly-sale basis, but before the benefit of a full sale process. The lower-range valuations reflect the indicative bids received to date, which are not at a level that would be acceptable for a going-concern sale.

We have not disclosed the upper-range valuation estimates, as doing so may compromise the integrity of the ongoing sale process. Notwithstanding this, any bid informed by a reasonable assessment of the business is expected to generate a return sufficient to pay creditors in full, with any surplus available to LPMA in accordance with its DOCA.

We have made numerous assumptions, which are outlined in the notes to the EOS.

The estimated returns provided is based on currently available information, on assets, recoveries and creditor claims. The estimated return is based on limited information noting the short period since the Administrators appointment, the information available and subject to change.

In consideration of the options available to creditors and formulating our recommendation, we have necessarily made forecasts of asset realisations and total creditor claims. These forecasts and estimates may change and are provided primarily for illustrative purposes.

A return to creditors in a high scenario will be dependent on the realisation of assets and the recovery of voidable transactions and insolvent trading. The dividend estimate provided is for illustrative purposes and any return is dependent on the receipt of further books and records, further investigation and any counterparty having the capacity to meet any claims brought against them.

Encl.

Appendix A – Estimated Outcome Statement



A. Estimated Outcome Statement

Tahmoor Coal Pty Ltd (Administrators Appointed)		Balance Sheet	Forced Liquidation		VA / Sale		Planned Liquidation		
Estimated Outcome Statement		Notes	31 Jan'26	Low	High	Low	High	Low	High
1. Circulating assets subject to security interest									
Cash at Bank	1		330,847	-	-	-	-	-	-
Restricted Cash	2		30,017,614	-	-	-	-	-	-
Inventories	3		9,981,682	-	4,000,000	4,000,000	5,000,000	-	4,000,000
Trade Receivables	4		6,120	-	-	-	-	-	-
Other Receivables	5		28,319,801	-	-	-	-	-	-
Loans to Related Parties	6		1,944,025	-	-	-	-	-	-
Current Tax Assets	7		62,573,987	-	-	-	-	-	-
Less: External Administrators' Remuneration and Disbursements	8		-	(200,000)	-	(150,000)	(200,000)	-	(200,000)
Less: Employee Entitlements	9		-	(3,800,000)	-	-	-	-	-
Less: Estimated Trading Costs During the Administration Period	10		-	-	-	(3,850,000)	(4,800,000)	-	(3,800,000)
Estimated funds available for secured creditors			133,174,075	-	-	-	-	-	-
2. Non-circulating assets subject to security interest									
Property, Plant and Equipment	11		163,604,682	15,000,000	40,000,000	60,000,000	120,000,000	15,000,000	40,000,000
Mine Development Expenditure	12		332,537,185	-	-	-	-	-	-
Less: Estimated Trading Costs During the Administration Period	13		-	(8,000,000)	(8,000,000)	(32,150,000)	(28,200,000)	(14,200,000)	(38,500,000)
Less: External Administrators' Remuneration and Disbursements	14		-	(800,000)	(1,500,000)	(800,000)	(1,500,000)	(800,000)	(1,500,000)
Less: Secured Creditor Payment	15		-	(6,200,000)	(30,500,000)	(27,050,000)	(90,300,000)	-	-
Estimated funds available for creditors			496,141,867	-	-	-	-	-	-
3. Non-circulating assets									
Other Intangibles	16		4,051,962	-	-	-	-	-	-
Other Current Assets	17		2,046,577	-	-	-	-	-	-
Estimated funds available for creditors			6,098,539	-	-	-	-	-	-
4. Potential recovery action									
Insolvent Trading Claim	18		-	20,000,000	-	-	20,000,000	-	20,000,000
Unfair Preference Payments	19		-	650,000	-	-	650,000	-	650,000
Uncommercial Transactions	20		-	-	-	-	-	-	-
Unfair Loans	21		-	-	-	-	-	-	-
Unreasonable Director-Related Transactions	22		-	20,000,000	-	-	20,000,000	-	20,000,000
Less: Estimated External Administration Legal Fees	23		-	(500,000)	-	-	(500,000)	-	(500,000)
Less: External Administration Costs	24		-	(1,000,000)	-	-	(1,000,000)	-	(1,000,000)
Less: Estimated Employee Entitlements	25		-	(32,056,916)	-	-	-	-	-
Estimated funds available for creditors			-	7,093,084	-	-	39,150,000	-	39,150,000
5. Sale of business									
Estimated Gross Sale Proceeds (excl. property, plant and equipment)	26		-	-	-	140,000,000	<i>Amt. Withheld</i>	100,000,000	<i>Amt. Withheld</i>
Less: Estimated Trading Costs During the Administration Period	27		-	-	-	-	-	(30,000,000)	-
Less: Adjustment for Employee Entitlements (AL + Personal Leave) - all staff	28		-	-	-	16,237,570	16,237,570	16,237,570	16,237,570
Less: Provision to Restart Mine (contribution only)	29		-	-	-	(10,000,000)	(10,000,000)	-	-
Less: OSR Royalty	30		-	-	-	(31,178,643)	(31,178,643)	(31,178,643)	(31,178,643)
Less: OSR Land Tax	31		-	-	-	(325,339)	(325,339)	(325,339)	(325,339)
Less: Oaktree secured creditor payment (Senior debt)	32		-	-	-	-	<i>Unknown</i>	-	<i>Unknown</i>
Less: Clydesdale secured creditor payment (Junior debt)	33		-	-	-	-	<i>Unknown</i>	-	<i>Unknown</i>
Estimated funds available for creditors			-	-	-	114,733,587	<i>Amt. Withheld</i>	54,733,587	<i>Amt. Withheld</i>
6. Total			-	7,093,084	-	114,733,587	<i>Amt. Withheld</i>	54,733,587	<i>Amt. Withheld</i>
Total estimated funds available for creditors			-	7,093,084	-	114,733,587	<i>Amt. Withheld</i>	54,733,587	<i>Amt. Withheld</i>
7. Creditors									
Estimated Priority Creditors - Employees	34		43,456,916	-	-	-	-	20,026,537	20,026,537
Estimated Shortfall Secured Creditors (GLAS)	35		13,826,537	-	-	-	-	-	-
Estimated Shortfall Secured Creditors - PPSR (excl. GLAS)	36		23,128,373	23,128,373	23,128,373	23,128,373	23,128,373	23,128,373	23,128,373
Estimated Statutory Creditors - OSR Royalty and Land Tax	37		31,503,983	31,503,983	31,503,983	-	-	-	-
Estimated Statutory Creditors - OSR Stamp Duty	38		3,278,193	3,278,193	3,278,193	3,278,193	3,278,193	3,278,193	3,278,193
Estimated Unsecured Creditors - Trade	39		49,476,147	49,476,147	49,476,147	49,476,147	49,476,147	49,476,147	49,476,147
Estimated Unsecured Creditors - Related Parties (excl. contingent claims)	40		90,069,638	90,069,638	90,069,638	90,069,638	90,069,638	90,069,638	90,069,638
Estimated return to creditors excl. contingent claims (c/\$)			-	-	3.6	69.1	<i>Amt. Withheld</i>	29.4	<i>Amt. Withheld</i>
Estimated Unsecured Creditors - Net contingent claims (est.)	41		183,000,000	160,000,000	160,000,000	170,000,000	106,000,000	170,000,000	106,000,000
Estimated return to creditors incl. contingent claims (c/\$)			-	-	2.0	34.2	<i>Amt. Withheld</i>	15.4	<i>Amt. Withheld</i>

MINUTES OF MEETING

Date: 3 March 2026

Subject: Tahmoor Coal Pty Ltd (Admin Apptd) – Meeting with Committee of Inspection

1. Overview

1.1 **Company:** Tahmoor Coal Pty Ltd (Admin Apptd)

1.2 **Attendees:** Wexted (Joseph Hayes, Christopher Johnson and Erin Buczynski); Jones Day (Roger Dobson and Kathryn Sutherland-Smith); creditors and their representatives (see attached attendance register).

1.3 **Date:** 3 March 2026

1.4 **Venue:** Via video conference

1.5 **Chair:** Joseph Hayes

2. Opening of meeting

2.1 The meeting was opened by Mr Joseph Hayes, joint and several administrator of the Company. Mr Hayes confirmed that:

- (a) the meeting was convened by notice to creditors dated 27 February 2026 and was advertised on the ASIC website;
- (b) a quorum was present at the meeting, being more than 50% of committee members, in accordance with IPSC r 75-30;
- (c) the meeting was being held at a time and place convenient to those entitled to attend;
- (d) the purpose of the meeting was to provide an update to creditors and provide them with an opportunity to ask questions; and
- (e) the Chair was not expecting to make any decisions at the meeting.

3. Documents tabled

3.1 The Chair tabled the following documents:

- (a) Notice of Meeting dated 27 February 2026;
- (b) Advertisement of the meeting on the ASIC website;
- (c) Attendance register; and
- (d) Short report to creditors issued on 3 March 2026, provided as an aide-memoire for the meeting.

3.2 The Chair noted that all documents would be available for inspection on the Administrators' website.

4. Approval of previous minutes

- 4.1 The Chair noted that the minutes of the meeting held on 25 February 2026 had been circulated and were available on the Administrators' website.
- 4.2 The Chair invited any comments or objections from creditors. No objections or comments were received.
- 4.3 The Chair declared the minutes of 25 February 2026 to be a true and correct record of that meeting.

5. Update on administration

- 5.1 The Chair provided the following update on the administration:
 - (a) The Administrators had continued to make payments to employees and creditors since the last meeting.
 - (b) Approximately \$8 million of funding had been drawn down from Clydesdale, the Company's present financier, with a further drawdown of approximately \$2.6 million being made on or about the date of the meeting.
 - (c) The funding was assisting the Administrators to continue to run the business with as much stability as possible.
 - (d) The Administrators continued to work with management, assessing the existing contract position and addressing unnecessary expenses.
 - (e) The Administrators were meeting with management regularly, both on site and remotely. Mr Johnson had been on site the previous week.
 - (f) The Administrators had continued to seek alternate funding for the business, noting the concerns raised in Court about the nature of the existing related party funding.
 - (g) The Administrators had taken steps to be ready for a sale process, should the Court make orders continuing the administration beyond Thursday 5 March 2026.
 - (h) A data room was ready to go, proposals from international investment banks were capable of acceptance, and a campaign structure was ready to commence on Monday 9 March 2026.
 - (i) The Administrators had not yet commenced the sale campaign due to the uncertainty occasioned by the Court proceedings.
 - (j) The Administrators had continued to correspond with different government agencies, in particular the Environmental Protection Agency (regarding prevention notices), the NSW Natural Resources Access Regulator (regarding enforceable undertakings made by the Company prior to appointment), and the Minister for Natural Resources and the Department of Primary Industries (regarding security held over mine releases).
 - (k) The Administrators were due to meet with representatives of Minister for Natural Resources and the Department of Primary Industries following the meeting.
- 5.2 Mr Johnson provided the following on-site update:
 - (a) Mr Johnson had been on site on the Monday and Thursday of the previous week.

- (b) On the Friday, Mr Johnson met with approximately 50 staff at the Picton Bowling Club to provide them with an update and respond to questions.
- (c) The Administrators had continued to work with management to re-engage suppliers, issue purchase orders, and ensure that critical maintenance and ongoing work continued.

6. Court proceedings

6.1 The Chair addressed the status of the Court proceedings as follows:

- (a) The winding up petition, which was heard on 18 February 2026, had been adjourned for approximately two weeks to Thursday 5 March 2026, which all parties had accepted was appropriate.
- (b) A fifth affidavit had been prepared and filed with the Court prior to the meeting, providing an update on the funding position, the sale process, the financial position of the financier, important work being done in the business to ensure a restart could occur quickly when funding was available, and the Chair's assessment of returns available to creditors in continuation of administration versus various liquidation scenarios.
- (c) The affidavit was not yet available to creditors as it had not been read into the Court record, but would be made available on the website once it had been.

6.2 The Chair expressed the clear view of the Administrators that it was in the interests of creditors of the Company that the administration process continue rather than winding up, for the following reasons:

- (a) administration provides a better environment to market the business for sale;
- (b) it presents a more certain scenario for trading the business;
- (c) it provides the best opportunity to limit costs associated with contract termination and damages that might emerge;
- (d) voluntary administration provides the Company the benefit of a moratorium, preventing parties from enforcing certain rights against the Company and terminating contracts that would destabilise the operating environment;
- (e) it provides the most stable environment to market the strength of the management team, employees, and the business to potential buyers; and
- (f) there is a general difficulty of selling assets of this size and nature in liquidation.

6.3 The Chair noted that the Administrators believed it was in the interest of creditors for the administration to continue for a further eight weeks to enable a sale process to be progressed with confidence and to report back to creditors on the outcome.

6.4 The Chair noted that the petitioning creditor had indicated its desire for the winding up petition to be heard on Thursday 5 March 2026.

7. Funding

7.1 The Chair addressed concerns regarding the certainty of funding as follows:

- (a) All funding requests had been met and were expected to continue to be met.

- (b) The Administrators had taken genuine steps to reach out to a large number of alternate funding providers.
- (c) Six non-disclosure agreements had been executed and parties were in the data room assessing whether they wished to provide alternative funding.
- (d) In many cases, potential financiers wanted to see certainty in the future of the Company under administration before committing, so the Administrators did not expect answers until after Thursday 5 March 2026.

8. Leases

- 8.1 The Chair noted that the Company had a large number of leases and that in administrations such as this, the Administrators enjoy the benefit of an opportunity to assess those leases without them being called in.
- 8.2 The Administrators had asked the Court for a further short period of time to undertake that assessment.

9. Second meeting of creditors

- 9.1 The Chair noted that if the administration continued, the Administrators were minded to seek an extension of the period for convening the second meeting of creditors, as otherwise a report would need to be issued in just over a week's time for a second meeting that would necessarily be adjourned.
- 9.2 The Administrators expected to seek an extension to 28 April 2026, to align with the date by which they expected to report back to the Court on how the matter should proceed.

10. Questions from creditors

- 10.1 Question from Mr Bob Timbs (Mining and Energy Union): Mr Timbs asked whether the enforceable undertaking entered into by the Company with the Natural Resources Access Regulator (NRAR) was in relation to mining or environmental issues.
- 10.2 Response: Mr Johnson responded that the enforceable undertaking was entered into prior to the Administrators' appointment and in response to the Company diverting water from a creek. Mr Johnson noted the Administrators' were liaising with the NRAR regarding the enforceable undertaking.
- 10.3 Question from Mr Bob Timbs (Mining and Energy Union): Mr Timbs asked whether management had raised any concerns with regards to the funding and whether it was still believed to be adequate.
- 10.4 Response: The Chair responded that the cash flow had been prepared with management's assistance and the Administrators had most of the information needed from management to ensure all the right expenses were being paid. The expenses were being diligenced carefully.
- 10.5 Question from Mr Bob Timbs: Mr Timbs asked whether the Administrators were confident they could complete the sale process in the eight-week period.
- 10.6 Response: The Chair responded that the Administrators had had two weeks of lead time, which had been used as productively as possible. The Chair acknowledged that this was not an insignificant business to sell quickly and that a balance was being struck between the need for certainty, ensuring the process was funded over a reasonable timeframe, and getting as much engagement in the sale process as possible to improve value and returns to creditors of Tahmoor. The Chair was confident the sale process could be conducted in the time available to a point where they would be able to report to creditors and the Court on its outcome. There

would subsequently likely be government consents, leasehold consents, matters to address thereafter to get to the point of an exchange of contracts.

- 10.7 Question from Ms Marilyn Sugumar (Revenue NSW): Ms Sugumar asked whether the Report on Company Activities and Property (ROCAP) had been received from the directors.
- 10.8 Response: The Chair confirmed the ROCAP had been received approximately a few days prior to the meeting. Elements had been disclosed in the affidavit filed with ASIC and the Court, and a copy would be made available on the Company website. The ROCAP did not disclose any liabilities in the Company that were not already known to the Administrators. The Chair noted that none of the claims had been admitted, proofs of debt had been received for some, and adjudication of claims would take time.
- 10.9 Question from Mr Rashnyl Prasad (William Buck, as Deed Administrator of Liberty Primary Metals Australia Pty Ltd): Mr Prasad asked how the alternate funding being sought would interact with the secured debts already owing to Oaktree and Clydesdale.
- 10.10 Response: The Chair and his solicitors noted that:
- (a) the Administrators had been flexible about what they were seeking;
 - (b) if a financier wished to assume the first ranking position from Oaktree, they could have that discussion with Oaktree directly;
 - (c) the Administrators could not otherwise disrupt the present security waterfall, noting the present funder was the second ranking secured creditor;
 - (d) alternate funders may rely upon the statutory lien that administrators have for priority payments where they incur those liabilities personally;
 - (e) it was open to alternative financiers to take a subordinated position with respect to fixed assets or to fund on circulating assets; and
 - (f) some prospective financiers were considering funding a restart of operations, which would generate additional circulating assets.
- 10.11 Question from Paul Barnicoat (Coal Mines Insurance): Mr Barnicoat asked whether the Administrators' view had changed since 17 February 2026 on the date of insolvency.
- 10.12 Response: The Chair responded that the Administrators had obtained more material on one claim relating to the payment of dividends to related entities, which had advanced thinking on that issue. However, the Administrators' position on the date of insolvency had not changed and remained 25 February 2025.
- 10.13 Question from Ms Marilyn Sugumar (Revenue NSW): Ms Sugumar asked, in relation to payroll tax, whether wages were being paid which would result in payroll tax liabilities being raised.
- 10.14 Response: Mr Johnson confirmed that wages had been paid as normal since 9 February, with three weekly wage runs processed and a monthly salary payment made. There would be a payroll tax obligation for that period which the Administrators would meet, and monthly returns would continue to be lodged and paid from 10 February onwards.
- 10.15 Question from John Bokulic (Coalfield Maintenance Pty Ltd): Mr Bokulic asked about the strategy for recovering unsecured creditor funds through the sale process.
- 10.16 Response: The Chair responded that the sale process sought to achieve going concern value for the business. If successful, the fund would be distributed amongst creditors in accordance with their entitlements after dealing with employee redundancy (where applicable), secured

creditors, and then unsecured creditors. The Chair noted that unsecured creditors were split between related party and non-related party claims, with related parties having rights of recovery against other assets in the OneSteel and related company group. There would be a delay between selling the business and ultimately paying unsecured creditor claims whilst matters were adjudicated and dealt with. The objective was to maximise value through the sale.

- 10.17 Question from Mr Rashnyl Prasad (William Buck, as Deed Administrator of Liberty Primary Metals Australia Pty Ltd): Mr Prasad asked whether the Administrators had instructed valuers and whether valuations included a going concern valuation.
- 10.18 Response: The Chair responded that no formal valuation had been undertaken yet. Mr Johnson had had initial calls with plant and equipment valuers and seen some earlier reports. More formal steps would be taken subject to the outcome of the Court hearing. In terms of going concern valuations, the Administrators had initial views from banks they had spoken to, but this would be progressed further. The Administrators were also aware of certain offers that had been made previously for the business, which informed the assessments made in the estimated outcome statements that formed part of the filings.
- 10.19 Question from John Bokulic (Coalfield Maintenance Pty Ltd): Mr Bokulic asked how many interested parties had progressed since the previous week and shown serious interest in purchasing.
- 10.20 Response: The Chair responded that comments about interested parties in the previous week were in the context of the sale process commenced by the LPMA administrators prior to the appointment. The Chair had not solicited any offers for the business as he did not yet have standing to do so until the Court granted a lengthy period of time and the winding up petition was dealt with. Accordingly, the Chair had not received any offers addressed to him, although he was aware of parties who were interested. The Administrators were ready to commence that process once the proceedings were resolved.
- 10.21 Question from Mr Rashnyl Prasad (William Buck, as Deed Administrator of Liberty Primary Metals Australia Pty Ltd): Mr Prasad queried the position regarding the LPMA sale process, noting that LPMA's deed administrators had been asked to stop their process but had nevertheless received an NBO the previous day from a party who had already been issued an NDA and had data room access.
- 10.22 The Chair noted that the Administrators' view was that the sale process should be run solely in the interests of Tahmoor's creditors and should be for the sale of the Company's assets or shares. In the Chair's view, a sale process run by the asset owners in the sole interests of its creditors was a better, cleaner process that delivered flexibility and an opportunity for creditors to deal with a party in a position to sell the assets.
- 10.23 The Chair acknowledged that while LPMA could market the shares for sale subject to the deed of company arrangement, any sale of those shares could not be consummated without the support of the Tahmoor administrators or the Court.
- 10.24 Question from Ms Olivia Hitchens (Artemide Law, on behalf of R Star Mining Pty Ltd): Ms Hitchens noted that there was some confusion about the sale process and queried whether LPMA's process was on hold, noting that the consortium she represented had experienced difficulty in obtaining a confidentiality agreement to proceed further.
- 10.25 Response: The Chair noted that the Administrators had put their views in writing to the LPMA administrators about how the sale should be brought to an efficient conclusion. The LPMA administrators continued to have a different view, which would be resolved as part of the Court proceedings.
- 10.26 Comment from Mr Roger Dobson (Jones Day): Mr Dobson clarified that, in relation to the question regarding the date of insolvency, the relevant date for reviewing transactions for

antecedent transaction claims was the date of the appointment of the administrators, not the date of liquidation. Even if the Company proceeded into liquidation, the relation back day would be the date of the appointment of the Administrators. Accordingly, nothing would be gained by liquidation in terms of the time period for such claims.

- 10.27 Further response from Mr. Prasad to Ms Hitchens (William Buck, as Deed Administrator of Liberty Primary Metals Australia Pty Ltd): Mr Prasad confirmed that LPMA had not continued to solicit further inquiries, in light of the position of the Tahmoor administrators. The sale process had been parked whilst LPMA's deed administrators sought to negotiate a collaborative sale process with Tahmoor's administrators.
- 10.28 Mr Johnson added that it would be highly unusual for a shareholder to be managing and running a sale of a company that was in administration, receivership, or liquidation. There were good reasons for this, many of which centred around the duties of the administrator principally to the creditors of the entity to which they were appointed.

11. Closing remarks

- 11.1 The Chair thanked attendees for their forbearance and acknowledged that the matter was not without complication and had taken a long time to resolve. The Chair assured creditors that the Administrators were doing what they could to move the matter along as quickly as possible.
- 11.2 Mr. Johnson confirmed that the next meeting would be scheduled approximately one week or slightly more than one week after the Court hearing, assuming the administration continues.
- 11.3 Mr Johnson noted that the Administrators remained available to answer any questions in the meantime and that minutes would be issued, together with further materials being uploaded onto the Administrators' website.
- 11.4 The meeting was declared closed.

Tahmoor Coal Pty Ltd (Administrators Appointed) - Second Meeting of the Committee of Inspection

Attendance Register

Attendee / Proxy	Representing	Value	Proxy Type	Signature
Andrew Grant	Aurizon	5,906,164.16	N/A	Attended via Microsoft Teams
Paul Barnicoat	Coal Mines Insurance	9,131,293.53	N/A	Attended via Microsoft Teams
John Bokulic	Coalfield Maintenance Pty Ltd	909,484.93	N/A	Attended via Microsoft Teams
Troy Palmer	Cougar Mining Group	1,420,906.82	N/A	Attended via Microsoft Teams
Rashnyl Prasad (William Buck)	Liberty Primary Metals Australia Pty Ltd (Subject to DOCA)	63,516,615.82	N/A	Attended via Microsoft Teams
Bob Timbs	Mining and Energy Union	N/A	N/A	Attended via Microsoft Teams
Allan Wardrop-Szilagyi (Oaktree)	Global Loan Agency Services Australia Nominees Pty Ltd	203,709,607.72	N/A	Attended via Microsoft Teams
Thomas Teal	Professionals Australia	N/A	N/A	Attended via Microsoft Teams
Charlie Wheatley	Project Portfolio Management (Industrial) Pty Ltd	328,640.11	N/A	Attended via Microsoft Teams
Liam Fairhall	PPK Mining Equipment Pty Ltd	1,277,564.60	N/A	Attended via Microsoft Teams
Olivia Hitchens (Artemide Law)	R Star Mining Pty Ltd		N/A	Attended via Microsoft Teams
Jarred Danaher	R Star Mining Pty Ltd	11,185,540.30	N/A	Attended via Microsoft Teams
Marilyn Sugumar	Revenue NSW	34,456,836.37	N/A	Attended via Microsoft Teams
Observers	Representing			
Liam Maguire (Hicksons)	Coal Mines Insurance			Attended via Microsoft Teams
Lucy Pye	Department of Employment and Workplace Relations			Attended via Microsoft Teams
Joseph Bassil	Himself, as an employee of the Company			Attended via Microsoft Teams
Peter Vale	Himself, as an employee of the Company			Attended via Microsoft Teams
Cherry Eusebio	Project Portfolio Management (Industrial) Pty Ltd			Attended via Microsoft Teams
Anirudh Mittal (Oaktree)	Global Loan Agency Services Australia Nominees Pty Ltd			Attended via Microsoft Teams
Teresa Kwok	Global Loan Agency Services Australia Nominees Pty Ltd			Attended via Microsoft Teams
Raunika Sharma (Oaktree)	Global Loan Agency Services Australia Nominees Pty Ltd			Attended via Microsoft Teams

Registered number: 09907518

**SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING
(WILLENHALL) LIMITED)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

CONTENTS

	Page
Statement of financial position	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 19

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)
REGISTERED NUMBER: 09907518

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	(130,375)	(3,873)
Tangible assets	6	1,402,275	120,718
		<u>1,271,900</u>	<u>116,845</u>
Current assets			
Stocks		853,307	213,299
Debtors: amounts falling due within one year	7	5,935,887	5,345,883
Cash at bank and in hand		398,604	298,860
		<u>7,187,798</u>	<u>5,858,042</u>
Creditors: amounts falling due within one year	8	<u>(2,339,115)</u>	<u>(618,720)</u>
Net current assets		<u>4,848,683</u>	<u>5,239,322</u>
Total assets less current liabilities		<u>6,120,583</u>	<u>5,356,167</u>
Creditors: amounts falling due after more than one year	9	(556,143)	(27,908)
Provisions for liabilities			
Deferred tax		(44,268)	(47,278)
		<u>(44,268)</u>	<u>(47,278)</u>
Net assets		<u>5,520,172</u>	<u>5,280,981</u>
Capital and reserves			
Called up share capital		100,001	100,001
Profit and loss account		5,420,171	5,180,980
		<u>5,520,172</u>	<u>5,280,981</u>

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)
REGISTERED NUMBER: 09907518

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

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.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


S K Gupta 30/03/2023
Director

The notes on pages 4 to 19 form part of these financial statements.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	100,001	4,100,080	4,200,081
Comprehensive income for the year			
Profit for the year	-	1,080,900	1,080,900
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,080,900	1,080,900
At 1 April 2020	100,001	5,180,980	5,280,981
Comprehensive income for the year			
Profit for the year	-	239,191	239,191
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	239,191	239,191
At 31 March 2021	100,001	5,420,171	5,520,172

The notes on pages 4 to 19 form part of these financial statements.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

1. General information

Shiftec (Willenhall) Limited (formerly Liberty Engineering (Willenhall) Limited) is a private company (Company number: 09907518) limited by shares incorporated in England and Wales. The registered office is 40 Grosvenor Place 2nd Floor, London SW1X 7GG. The principal place of business is Neachells Lane, Willenhall, West Midlands, WV13 3SN. The company changed its name from Liberty Engineering (Willenhall) Limited to Shiftec (Willenhall) Limited on 8 June 2020.

The principal activity of the company during the year was the manufacture pipe fittings, anti-vibration/shock mountings and clamps. Following the acquisition of the operations of fellow group companies on 28 February 2021 the company took on the principal activities of those companies which included the design, development and manufacturing of parking brake lever systems mainly for off-highway vehicles together with the provision of advanced automotive materials technology and design engineering services.

2. Accounting policies

2.1 Accounting convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £ sterling.

The following principal accounting policies have been applied:

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

2. Accounting policies (continued)

2.2 Going concern

The company made a profit after tax of £239,191 for the year ended 31 March 2021 (2020: £1,080,900) and the balance sheet showed net assets of £5,520,172 as at 31 March 2021 (2020: £5,280,981). The company is expected to trade profitably in the foreseeable future.

The World Health Organisation declared a pandemic in 2020 following the spread of Covid-19. The director took various steps to monitor and mitigate the effects of Covid-19 on the performance of the Company. Steps taken included ensuring health and safety of our people through the implementation and regular review of a safe system of work including social distancing, securing supply of materials that were essential for our production process and utilising the furlough scheme offered by the government where necessary.

The Company has continued to operate without any closure to date and the impact on the performance of the Company during the year has not been material. Based on our experience since the year end to date, whilst impacted during the lock down, it has not had any lasting impact on the performance of the Company.

The Company's ultimate parent company is Liberty Steel Group Holdings Pte Ltd, a company incorporated in Singapore with Sanjeev Gupta being the ultimate beneficial owner.

During March 2021, the Group's primary lender Greensill Capital (UK) Limited ("Greensill") was put in administration. The Group has reached a settlement agreement in principle with the major creditors of Greensill for a global debt restructuring. The deal paves the way for the group to move forward and secure new long term sustainable financing. The debt restructuring is with the parties responsible for the main creditors of Greensill Capital (UK) Limited, Greensill Bank AG and Credit Suisse Asset Management (Switzerland) Limited ("the Creditors") and is a major step in the Group's refinancing. Based on the agreement, the Group will be working collaboratively with the main creditors of Greensill at pace to execute a deal over the coming months. However the agreement has no direct impact on the day-to-day operations of the Company or the Trading Sub Group (as defined below) and a successful outcome can only further strengthen the financial position of the Company and the Trading Sub Group.

Prior to reaching the above agreement, the Parent group had already launched several refinancing initiatives to mitigate the adverse impact of Greensill's administration. The Company, nor its Trading Sub Group, have any direct relationship with or received any direct funding from Greensill, nor have any been party to any cross guarantees associated with those facilities. The Parent group has already successfully completed the refinancing of its Australian operations and is making progress to refinance its other operations where negotiations are ongoing.

As detailed in note 15, post year end the Company has repaid its invoice discounting facility and satisfied the charges securing the group facilities thereon. It has also made various arrangements to consolidate and ultimately remove its inter group balance positions and reliance on funding with the wider Parent group. As at the date of approval of the financial statements its only exposure to the wider Parent group consists of sundry trading balances with certain group entities which are subject to payment on normal credit terms, a loan to fellow subsidiary Specialist Mobility Training Limited of £1,210k, which is deemed fully recoverable following a review of that company's cash flow forecasts, and certain balances due to now dormant entities arising from the transfer of the trade, assets and liabilities of those entities both during the year and subsequently in order to consolidate the activities of the Willenhall site within this Company.

The Company has entered into deeds of cross financial support with its fellow subsidiaries, Specialist Mobility Training Limited, Shifttec Composites Limited (now dormant), Shifttec Manufacturing (now

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

2. Accounting policies (continued)

2.2 Going concern (continued)

dormant) and Clydesdale Jones Limited (now dormant) (together "the Trading Sub Group") agreeing not to withdraw funding balances unless individual entities have the funds to repay them and to support each other financially for the foreseeable future and in any case for a period at least up to 10 May 2024, should the need arise, in order to strengthen the joint financial position and flexibility in connection with the use of available cash resources within the Trading Sub Group. The directors of each of the entities within the Trading Sub Group have also confirmed that they will not make any loans or advances to any group entities within the ultimate parent group or its related parties other than to those parties subject to the deeds of cross financial support above.

The director has critically assessed the combined post year end results and forecast trading and cashflow forecasts of the Trading Sub Group for the next 12 months from the date of signing including carrying out stress testing of cashflows under various scenarios including a reduction in trading activity, deferment of sales and stage payments receivable on contracts and potential contingent liabilities which may arise from the VAT group arrangements with entities outside the Trading Sub Group should those entities not be able to meet their VAT liabilities as they fall due and a call is made by HMRC in respect of individual VAT debts. The resultant analysis shows cash surplus headroom under all reasonably foreseeable scenarios. In light of the above the director has concluded that there are sufficient cash resources available within the Trading Sub Group for the Company and entities within the Trading sub group to meet their debts and obligations as they fall due for a period of not less than 12 months from the approval of the Financial Statements.

As detailed in note 13, on 14 May 2021 the Serious Fraud Office (SFO) announced an investigation into suspected fraud, fraudulent trading and money laundering concerning the financing and conduct of business of companies within the Gupta Family Group Alliance (GFG), which includes the ultimate parent company of the Company, including its financing arrangements with Greensill Capital (UK) Limited. As detailed therein the outcome of the investigation cannot be reliably estimated or forecast and remains uncertain, but in the opinion of the director it is not expected to have a material impact on the ability of the Company or its Trading Sub Group to continue as to trade for the foreseeable future as a result of the steps taken above to strengthen the financial position of the Company and its Trading Sub Group as detailed above. Accordingly, the director has adopted the going concern basis in the preparation of the Financial Statements.

2.3 Turnover

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

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

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

2. Accounting policies (continued)

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

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 Intangible assets

The estimated useful lives range as follows:

Negative goodwill	-	10 Years
-------------------	---	----------

Being the period over which the corresponding fixed assets are depreciated.

2.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10 Years
---------------------	---	----------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

2. Accounting policies (continued)

2.9 Impairment of fixed assets

At each reporting year end date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the Company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Cost is based on the cost of purchase on a weighted average basis. Net realisable value is based on estimated selling price less further costs to completion and sale.

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

2.11 Financial instruments

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

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

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

Basic financial instruments

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

Impairment of financial assets

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

2.12 Equity instruments

Equity instruments issued by the Company are recorded at proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

Current tax

The tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of inventory or non-current assets.

The costs of any unused holiday entitlement is recognised in the period in which employee's services are received.

2.15 Retirement benefits

The pension costs for defined contribution benefit schemes are the contributions payable in the year.

2.16 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. Depreciation on the relevant asset is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of the capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

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

2. Accounting policies (continued)

2.17 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the lease term except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.18 Foreign currency translation

Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position. All differences are taken to profit or loss.

2.19 Financial risk management

The Company is exposed to financial risk arising from its financial assets and liabilities. The key financial risk is that the proceeds from financial assets may not be sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk and liquidity risk.

Exposure to credit risk is mitigated by rigorous credit control checks.

Liquidity risk is managed by regular monitoring of working capital requirements.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

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

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in that year of the revision and future years.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of tangible fixed assets

Determine whether there are indicators of impairment of the Company's tangible fixed assets determining any resultant impairment charge. Factors taken into consideration in reaching such a decision and assessing any impairment charge include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit and potential net realisable value of the asset if sold on the open market.

Going concern

Determine whether the basis of preparation of the financial statements as a going concern is appropriate considering the future performance and cash flows of the Company, as disclosed in note 2.2.

Key Sources of estimation uncertainty

The key sources of estimation and uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Recoverability of group and related party debt

Management make an assessment of whether group and related party debtors are recoverable based on the financial position and performance of the debtor and the needs of the wider group. Where there is objective evidence of impairment or significant doubt as to the recoverability of the balance, a provision is made against the balance due.

Stock impairments and provisions

Management uses valuation techniques to estimate the cost of stocks. The cost of work in progress includes an element of standard cost, which take into account normal levels of materials, labour and manufacturing efficiency. The cost of finished goods is calculated by reducing the sales value of the inventory by the appropriate percentage profit margin. These methods are regularly reviewed and revised in the light of current conditions, and any changes in the estimates may affect the carrying amounts of stock.

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions require judgements to be made, which include forecasting consumer demand, competitive and economic environment and inventory loss trends.

A provision for loss is made to ensure the accounts reflect the lowest of net realisable value or cost. The provision comprises the loss due to ageing of inventories. Historic costs are used to calculate the provision.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

3. Judgments in applying accounting policies (continued)

Useful lives of tangible fixed assets & negative goodwill

Management reviews the useful lives of tangible fixed assets on a regular basis. Any changes in estimates may affect the carrying amounts of the respective tangible fixed assets with a corresponding effect on the related depreciation charge. This will also have an impact on the amortisation of the negative goodwill which is in relation to the useful life of the assets.

4. Employees

The average monthly number of employees, including directors, during the year was 12 (2020 - 10).

5. Intangible assets

	Negative goodwill £
Cost	
At 1 April 2020	(1,145,491)
Intra-group transfers on purchase of trade	(129,232)
At 31 March 2021	<u>(1,274,723)</u>
Amortisation	
At 1 April 2020	(1,141,618)
Charge for the year on owned assets	(2,730)
At 31 March 2021	<u>(1,144,348)</u>
Net book value	
At 31 March 2021	<u>(130,375)</u>
At 31 March 2020	<u>(3,873)</u>

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

6. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2020	167,994
Additions	799,000
Intra group transfers on purchase of trade	574,067
At 31 March 2021	<u>1,541,061</u>
Depreciation	
At 1 April 2020	47,276
Charge for the year on owned assets	91,510
At 31 March 2021	<u>138,786</u>
Net book value	
At 31 March 2021	<u><u>1,402,275</u></u>
At 31 March 2020	<u><u>120,718</u></u>

Included in plant and equipment are assets held under finance leases with a net book value of £768,042 (2020 - £40,125).

7. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	1,213,053	418,993
Amounts owed by group undertakings	4,338,291	4,920,753
Other debtors	269,836	3,746
Prepayments and accrued income	114,707	2,391
	<u><u>5,935,887</u></u>	<u><u>5,345,883</u></u>

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdraft and receivables finance facility	104,942	124,047
Trade creditors	909,249	275,315
Amounts owed to group undertakings	600,552	62,365
Other taxation and social security	30,714	29,233
Obligations under finance leases	130,331	7,790
Accruals and deferred income	563,327	119,970
	<u>2,339,115</u>	<u>618,720</u>

Amounts owed to group and related undertakings have no fixed repayment date and are non-interest bearing.

The receivables finance facility is secured by a fixed and floating charge over the assets of the Company and a cross guarantee from certain fellow subsidiary entities (see note 13).

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases	<u>556,143</u>	<u>27,908</u>

10. Finance leases

Minimum lease payments under finance leases fall due as follows:

	2021 £	2020 £
Within one year	130,331	7,790
Between 1-5 years	556,143	27,908
	<u>686,474</u>	<u>35,698</u>

Finance lease payments represent rentals payable by the Company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease obligations are secured on the relevant assets.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

11. Pension commitments

The amount of unpaid pension included in the Statement of Financial Position at 31 March 2021 is £7,443 (2020: £nil)

12. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	2,346	281,931
Later than 1 year and not later than 5 years	1,550	1,127,724
Later than 5 years	2,570	2,442,927
	<u>6,466</u>	<u>3,852,582</u>

During the year the properties which were the subject of the operating lease commitments in the prior year with rentals being recharged to other related entities were sold by the lessor and the leases terminated, therefore the company has no outstanding commitment on those properties at the balance sheet date.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

13. Financial commitments, guarantees and contingent liabilities

During the year the company operated a receivables finance facility from Barclays Bank Plc. The facility is capped at the level of receivables, with a maximum facility of £500,000. The facilities are shared across various entities within the Liberty Engineering grouping, with a maximum facility of £13.75m across the entities concerned. The facility is guaranteed by a fixed and floating charge over the assets of the company and a cross corporate guarantee from each entity in the group facility and their members are as follows: Shiftec (Leamington) Limited, Shiftec (Willenhall) Limited (formerly Liberty Engineering (Willenhall) Limited), Shiftec Manufacturing Limited (formerly Liberty Pressing Solutions Limited), Shiftec Composites Limited (formerly Liberty Advanced Composites Limited), Clydesdale Jones Limited, Accles and Pollock Limited, Liberty Tube Components Limited, Liberty Precision Tubes Limited and Hub Le Bas Limited. The level of exposure at 31 March 2021 is £4,479,144 (2020: £6,017,594). This facility was repaid in full post year end by all group parties and the contingent liability extinguished.

The Company is a member of a VAT group with fellow group companies and accordingly is jointly and severally liable for any VAT liability due. The level of group VAT liability or asset varies depending on where in the VAT cycle the group is and on the underlying transactions of companies within the group. The VAT payable by the group as at 31 March 2021 was £3,607,611 (2020: £2,314,333).

Serious Fraud Office (SFO) investigation

On 14 May 2021 the Serious Fraud Office (SFO) announced an investigation into suspected fraud, fraudulent trading and money laundering concerning the financing and conduct of business of companies within the Gupta Family Group Alliance (GFG), which includes the ultimate parent company of the Company, including its financing arrangements with Greensill Capital (UK) Limited.

As at the date of the approval of the financial statements, the investigation is still live and is expected to be several years before it will reach a conclusion. The SFO have made requests for information relating to certain entities within the GFG Group and the GFG group is cooperating with these requests. The Company and its Trading Sub Group, as described in note 2.2, has not received any communication or visits from the SFO and has not had any direct dealings with Greensill Capital (UK) Limited. It has however historically received funding from its Parent Group during the period certain Parent Group entities were financed through Greensill Capital (UK) Limited, although no longer has any funding arrangements with its Parent Group.

Entities within GFG group may be exposed to the risk of civil, criminal and regulatory actions and liabilities arising from any adverse findings coming from the SFO investigation, although the future direction nor outcome of the investigation and its impact including any liabilities arising on the Parent Group and the Company, if any, at present cannot be reliably estimated or forecast.

14. Related party transactions

The Company has taken advantage of the exemption under FRS102 section 1A Small Entities not to disclose balances or transactions at arm's length with related parties.

On 28 February 2021 the Company acquired the trade, assets and liabilities of Clydesdale Jones Limited and Shiftec Composites Limited, both fellow subsidiaries of the ultimate parent entity operating from the same Willenhall site, at net book value.

Included within accruals is an amount of £188,711 in respect of additional management charges for the year from Wyelands Capital Limited, a related company under common control, which was invoiced to the company post year end.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

15. Post balance sheet events

Restructuring

On 31 March 2022, the company entered into an agreement with Shiftec Manufacturing Limited for the purchase and transfer of that Company's trade, assets and liabilities with the consideration being left as an inter-company balance due. This completes the consolidation started during the year of all activities carried out from the Willenhall site within Shiftec (Willenhall) Limited.

It has also entered into various debt transfer and formal offset agreements with various companies within the ultimate Parent group in order to consolidate its inter-group debtor and creditor positions. It has subsequently declared dividends to satisfy the resultant balance due from the parent company of £823k, thus reducing the net assets of the company by the same amount. Following completion of the above, other than sundry trading balances with certain group entities which are subject to payment on normal credit terms and a loan to a fellow subsidiary Specialist Mobility Training Limited of £1,210k, which is deemed fully recoverable following a review of that company's cash flow forecasts, the Company has no other inter-company debt or creditor funding balances outside its immediate trading group nor finance facilities other than certain finance lease arrangements which are ongoing and being repaid in accordance with their terms.

Group Invoice Discounting Facility

Since the year end the Company and other fellow subsidiaries party to the Group invoice discounting facility have repaid their balances through financing received from its Parent group and the Company has satisfied the charge held over the assets of the company in respect of the facility.

Russian Invasion of Ukraine

On 24 February 2022, Russian troops started invading Ukraine. The war in Ukraine and related events take place at a time of significant global economic uncertainty and volatility, and the effects are likely to interact and exacerbate the effects of current market conditions.

Many sectors/jurisdictions are already facing the impacts of rising commodity and energy prices and increased raw materials costs, as a result of surging consumer demand as the COVID-19 pandemic eases and global unrest.

The Director continues to monitor these and has put steps in place to minimise these costs.

16. Controlling party

The immediate parent company is Liberty Advanced Engineering Products Pte Ltd, a company incorporated in Singapore. At 31 March 2021 the ultimate holding company was Liberty Steel Group Holdings Pte Ltd.

The largest and smallest groups in which the results of the Company are consolidated are headed by Liberty Steel Group Holdings Pte Ltd and Liberty Engineering Group Pte Ltd. The financial statements are publicly available by writing to the Company Secretary at 8 Marina View, #40-06 Asia Square Tower 1, Singapore 018960.

The ultimate controlling party is S K Gupta.

SHIFTEC (WILLENHALL) LIMITED (FORMERLY LIBERTY ENGINEERING (WILLENHALL) LIMITED)

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

17. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2021 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

We draw attention to Note 13 of the financial statements, which describes the Serious Fraud Office (SFO) ongoing investigation into companies within the Gupta Family Group Alliance (GFG) which includes the ultimate parent company of the Company. Our opinion is not modified in respect of this matter.

The audit report was signed by Tobias Stephenson BA ACA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.

Registered number: 09907518

**CLYDESDALE ENGINEERING LIMITED (FORMERLY SHIFTEC
(WILLENHALL) LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



CLYDESDALE ENGINEERING LIMITED

COMPANY INFORMATION

Director	S K Gupta
Registered number	09907518
Registered office	c/o Marble Power Limited 1st Floor, 3 More London Place London United Kingdom SE1 2RE
Trading Address	Neachells Lane Willenhall West Midlands WV13 3SN
Independent auditor	MHA Chartered Accountants & Statutory Auditors Rutland House 148 Edmund Street Birmingham B3 2FD
Bankers	Barclays Bank Plc 14 Commercial St Newport NP20 1HE

CLYDESDALE ENGINEERING LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Director's report	5 - 6
Director's responsibilities statement	7
Independent auditor's report	8 - 11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Analysis of net debt	16
Notes to the financial statements	17 - 36

CLYDESDALE ENGINEERING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The director presents the strategic report and the financial statements for the year ended 31 March 2023. On 7 March 2024 the Company changed its name from Shiftec (Willenhall) Limited to Clydesdale Engineering Limited.

Business review

The Company's principal activity during the year was the manufacture of anti-vibration/shock mountings and clamps, the design, development and manufacturing of parking brake lever systems mainly for off-highway vehicles together with the provision of advanced automotive materials technology and design engineering services.

On 31 March 2022, the company purchased the principal trading activities along with related assets, liabilities and contracts from a fellow subsidiary company, Shiftec Manufacturing Limited at net book value and assumed that company's principal activities of the manufacture and supply of metal pressings and assemblies primarily for vehicles producers and suppliers.

Results and performance:

The Company's Statement of comprehensive income is set out on page 12 and shows a turnover for the year of £15,059,409 (2022: £8,402,647). Further details of the turnover by geographical destination are given in note 4 to the Financial Statements.

The Company produced a gross profit of £1,681,486 (2022: £1,134,915) and the operating loss for the year was £111,954 (2022: loss £180,066). After adjusting for interest and tax, the profit for the year of £53,162 (2022: £71,304 loss).

The Statement of financial position as at 31 March 2023 is shown on page 13, showing total assets less current liabilities of £4,964,545 (2022: £5,875,657) and shareholders' funds of £4,679,276 (2022: £5,448,868).

An interim dividend of £822,754 (2022:£nil) was declared on 30 September 2022, resulting from the arrangements to consolidate and ultimately remove its intergroup balance positions and reliance on funding with the wider Parent Group, as detailed in the Going Concern section. The director does not propose a final dividend (2022:£nil).

Management consider Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to be the most relevant measure of profitability. EBITDA for the year was £119,192 (2022: loss £11,952).

The company performed well during the year having benefited from combining the trade of a fellow subsidiary company as mentioned above.

In general, demand remained consistent with the prior year and underlying sales of the acquired business, Shiftec Manufacturing Limited, were also comparable. Gross Profit: 11% for 2023 compared with 13% for 2022 which is due to a slight change in the mix of business following the purchase of the business of the fellow subsidiary. The company also benefited from cost efficiencies helping to deliver an improvement of £124,466 in profit for the financial year.

Future developments:

The company continues to focus on growth and cost efficiencies across the business, exiting non-profitable contracts and closely monitoring key performance indicators. An improved performance has been recorded for the year ended 31 March 2024 and is forecast to continue in the year to 31 March 2025.

Post balance sheet events affecting the company are detailed in the director's report.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Principal risks and uncertainties

There are a number of risks and uncertainties which could have an impact on the Company's financial performance and position.

Global, political and economic conditions

The Company supplies its product and services across Europe and the rest of the world. Whilst the Company benefits from the growth opportunities in these countries, it is similarly exposed to the economic, political and business risks associated with such international operations.

Management monitor such risks and conditions, maintain insurance cover and amend business procedures as appropriate to mitigate any exposures.

Foreign exchange

The Company makes sales to many countries, with a proportion of the Company's profit earned outside the UK. As such the Company is exposed to movement in exchange rates between Sterling and other world currencies, particularly the US dollar and the Euro, which could adversely or positively impact the results.

Raw material and energy prices

The Company uses a range of materials and the fluctuations in their prices can have material impact on the performance of the company. Recent volatility in energy prices is an example of such fluctuations.

Litigation

As with any business, the Company is subject to the risk of litigation from third parties. The Company seeks to address such claims proactively. In accordance with the accounting requirements, a provision would be made where required to address such litigation and the costs of defence.

Employees

The Company's operations are based in Willenhall in the West Midlands and it employs skilled labour in its operations. Engaging and retaining skilled employees is important for the business to continue to operate effectively and efficiently. The Company recognises the importance of this resource and reviews its remuneration and recruitment policies on a regular basis.

Future trading and liquidity risk

The Company regularly prepares profits and cash flow forecasts based on the likely levels of demand from its key customers and suppliers. These forecasts are reviewed by the management on a regular basis and actions are taken as and when required.

Health and Safety

Providing a safe working environment is a key priority of the Company. The Company has health and safety programmes and regular risk assessments, which are implemented and enforced throughout the company and overseen by management.

Product quality control

Maintaining a high level of quality in its products is key to the success of the company. The business is exposed to product recall and liability claims in the event that products fail to perform as expected. In order to mitigate this risk, the Company has extensive quality assurance checks embedded in all parts of its business, from design to production process and the delivery to the customers. This role is performed by a dedicated quality control team, who report to management on a regular basis.

CLYDESDALE ENGINEERING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators. The key financial performance indicators are EBITDA, revenue, gross profit and net profit. The KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which the work has been delivered.

Going concern

The Company made a profit after tax of £53,162 for the year ended 31 March 2023 (2022: loss £71,304) and the balance sheet showed net assets of £4,679,276 as at 31 March 2023 (2022: £5,448,868). The Company has traded profitably post year end which is forecast to continue into the foreseeable future.

The Company's ultimate parent company is Liberty Steel Group Holdings Pte Ltd, a company incorporated in Singapore with the director, Sanjeev Gupta, being the ultimate beneficial owner.

On 8 March 2021, the Group's primary lender Greensill Capital (UK) Limited ("Greensill") was put in administration. The Group has now signed an updated framework agreement with the Greensill creditors. The agreement is with the parties responsible for the main creditors of Greensill Capital (UK) Limited, Greensill Bank AG and Credit Suisse Asset Management (Switzerland) Limited ("The Creditors") and is a major step in the Group's restructuring. However, the agreement has no direct impact on the day-to-day operation of the Company and the execution of the framework agreement can only further strengthen the financial position of the Company.

The Company does not have any direct relationship with or received any direct funding from Greensill, nor has it been party to any cross guarantees associated with those facilities. The parent group has already successfully completed the refinancing of its Australian operations and is making progress to refinance its other operations where negotiations are ongoing.

During the year, the Company has made various arrangements to consolidate and ultimately remove its intergroup balance positions and reliance on funding with the wider Parent Group. The Company declared an interim dividend of £822,754 on 30 September 2022 to satisfy the resultant previous balance due from its parent company, thus reducing the net assets of the Company by the same amount. The Company also entered into deeds of cross financial support on 10 November 2022 with its fellow subsidiaries, Specialist Mobility Training Limited ("SMT"), Shifttec Composites Limited (now dormant), Shifttec Manufacturing Limited (now dormant) and Clydesdale Jones Limited (now dormant), agreeing not to withdraw funding balances unless individual entities have the funds to repay them and to support each other financially for a period at least to 10 May 2024. Confirmation has been received from the dormant fellow subsidiaries that even after this date, amounts due to them will not be recalled unless the Company has sufficient funds to repay without jeopardising its ability to pay other debts as they fall due.

The director has critically assessed the post year end trading results and the forecast trading and cashflow forecasts for the Company for the next 12 months from the date of signing the accounts. This has included carrying out stress testing of cash flows under various scenarios including various reductions in trading activity, and no cash receipts from fellow subsidiaries being received during the period in respect of outstanding loans. The resultant analysis shows cash headroom under all reasonably foreseeable scenarios.

In light of the above the director has concluded that there are sufficient cash resources available for the Company to continue to trade and meet its debts and obligations as they fall due for a period of net less than 12 months from the approval of the financial statements.

As detailed in note 24, on 14 May 2021 the serious Fraud Office (SFO) announced an investigation into the suspected fraud, fraudulent trading and money laundering concerning the financing and conduct of business of the companies within the Gupta Family Group Alliance (GFG), which includes the ultimate parent company the Company, including its financing arrangements with Greensill Capital (UK) limited. As detailed therein, the outcome of the investigation cannot be reliably estimated or forecast and remains uncertain, but in the opinion of

CLYDESDALE ENGINEERING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

the director it is not expected to have a material impact on the ability of the Company to continue to trade for the foreseeable future. Accordingly, the director has adopted the going concern basis in the preparation of the Financial Statements.

This report was approved by the board on 28/07/2024 and signed on its behalf.

S K Gupta
Director



CLYDESDALE ENGINEERING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

The director presents his report and the financial statements for the year ended 31 March 2023.

Principal activity

The company's principal activity during the prior year was the manufacture of pipe fittings, anti-vibration/shock mountings and clamps, the design, development and manufacturing of parking brake lever systems mainly for off-highway vehicles together with the provision of advanced automotive materials technology and design engineering services.

On 31 March 2022, the company purchased the principal trading activities along with related assets, liabilities and contracts from a fellow subsidiary company, Shiftec Manufacturing Limited at net book value and assumed that company's principal activity, which was the manufacture and supply of metal pressings and assemblies, primarily for vehicle producers and suppliers.

Results and dividends

The profit for the year, after taxation, amounted to £53,162 (2022 - loss £71,304).

An interim dividend of £822,754 (2022 - £nil) was paid during the year. The director does not propose a final dividend.

Director

The director who served during the year was:

S K Gupta

Matters covered in the Strategic Report

Future developments, principal risks and uncertainties, including financial risks, and going concern assessment are included in the strategic report.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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 auditor is aware of that information.

Post balance sheet events

On 17 October 2023, the Company acquired the remaining lease commitments of Shiftec Manufacturing Limited, consisting of a property lease with annual rentals of £304,000 payable to June 2032.

On 7 March 2024, the Company changed its name to Clydesdale Engineering Limited.

On 1 January 2024, the Company left the VAT group with fellow group companies.

Auditor

The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CLYDESDALE ENGINEERING LIMITED

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This report was approved by the board on 28/07/2024 and signed on its behalf.

S K Gupta
Director



CLYDESDALE ENGINEERING LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

CLYDESDALE ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDESDALE ENGINEERING LIMITED

Opinion

We have audited the financial statements of Clydesdale Engineering Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Analysis of net debt, the Statement of changes in equity and the related notes, including 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 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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.

Emphasis of matter - ongoing investigation by the Serious Fraud Office

We draw attention to Note 24 of the financial statements, which describes the Serious Fraud Office (SFO) ongoing investigation into companies within the Gupta Family Group Alliance (GFG) which includes the ultimate parent company of the Company. Our opinion is not modified in respect of this matter.

Emphasis of matter - recovery of a balance due from a fellow subsidiary

We also draw attention to Note 16 of the financial statements, which describes the circumstances leading to a material uncertainty in respect of the potential recoverability of a balance of £1,336,199 due from a fellow subsidiary undertaking, deemed recoverable by the Director. Our opinion is not modified in respect of this matter.

CLYDESDALE ENGINEERING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDESDALE ENGINEERING LIMITED
(CONTINUED)**

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 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.

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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CLYDESDALE ENGINEERING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDESDALE ENGINEERING LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 7, 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 the director determines 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 intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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:

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for evidence of management bias;
- Reviewing minutes of meetings of those charged with governance and management, where available;
- Reviewing legal and professional costs for evidence of potential contingent liabilities;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditor's report.

CLYDESDALE ENGINEERING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLYDESDALE ENGINEERING LIMITED
(CONTINUED)**

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.



Tobias Stephenson BA ACA (Senior statutory auditor)

for and on behalf of
MHA Statutory Auditor

Birmingham

Date: 31 July 2024

MHA is a trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CLYDESDALE ENGINEERING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	15,059,409	8,402,647
Cost of sales		(13,377,923)	(7,267,732)
Gross profit		1,681,486	1,134,915
Distribution costs		(544,565)	(519,490)
Administrative expenses		(1,248,875)	(818,565)
Other operating income	5	-	23,074
Operating loss	6	(111,954)	(180,066)
Interest receivable and similar income	9	172,003	149,609
Interest payable and similar expenses	10	(11,772)	(39,031)
Profit/(loss) before tax		48,277	(69,488)
Tax on profit/(loss)	11	4,885	(1,816)
Profit/(loss) for the financial year		53,162	(71,304)

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 17 to 36 form part of these financial statements.

CLYDESDALE ENGINEERING LIMITED
REGISTERED NUMBER: 09907518

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	(146,173)	(699,914)
Tangible assets	14	1,593,731	2,123,332
		<u>1,447,558</u>	<u>1,423,418</u>
Current assets			
Stocks	15	2,237,895	1,647,570
Debtors: amounts falling due within one year	16	5,105,436	6,323,349
Cash at bank and in hand	17	146,644	876,136
		<u>7,489,975</u>	<u>8,847,055</u>
Creditors: amounts falling due within one year	18	(3,972,988)	(4,394,816)
Net current assets		<u>3,516,987</u>	<u>4,452,239</u>
Total assets less current liabilities		<u>4,964,545</u>	<u>5,875,657</u>
Creditors: amounts falling due after more than one year		(285,269)	(421,904)
Provisions for liabilities			
Deferred tax	21	-	(4,885)
		<u>-</u>	<u>(4,885)</u>
Net assets		<u><u>4,679,276</u></u>	<u><u>5,448,868</u></u>
Capital and reserves			
Called up share capital		100,001	100,001
Profit and loss account		4,579,275	5,348,867
		<u>4,679,276</u>	<u>5,448,868</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/07/2024.

S K Gupta
 Director



The notes on pages 17 to 36 form part of these financial statements.

CLYDESDALE ENGINEERING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	100,001	5,420,171	5,520,172
Loss for the year	-	(71,304)	(71,304)
At 1 April 2022	100,001	5,348,867	5,448,868
Profit for the year	-	53,162	53,162
Dividends paid	-	(822,754)	(822,754)
At 31 March 2023	100,001	4,579,275	4,679,276

The notes on pages 17 to 36 form part of these financial statements.

CLYDESDALE ENGINEERING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit/(loss) for the financial year	53,162	(71,304)
Adjustments for:		
Amortisation of intangible assets	(99,441)	(27,889)
Depreciation of tangible assets	330,587	196,003
Loss on disposal of tangible assets	13,290	-
Interest payable	11,772	39,031
Interest receivable	(172,003)	(149,609)
Taxation charge	(4,885)	1,816
(Increase) in stocks	(590,325)	(569,882)
Decrease in debtors	567,162	1,241,036
(Decrease) in creditors	(424,903)	(218,661)
Net cash (used in)/generated from operating activities	<u>(315,584)</u>	<u>440,541</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(319,762)	(59,956)
Sale of tangible fixed assets	51,186	-
Purchase of trade and assets net of cash acquired from fellow subsidiary	-	371,991
Net cash from investing activities	<u>(268,576)</u>	<u>312,035</u>
Cash flows from financing activities		
Repayment of obligations under finance leases	(133,560)	(131,071)
Interest paid	(11,772)	(39,031)
Net cash used in financing activities	<u>(145,332)</u>	<u>(170,102)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(729,492)</u>	<u>582,474</u>
Cash and cash equivalents at beginning of year	876,136	293,662
Cash and cash equivalents at the end of year	<u><u>146,644</u></u>	<u><u>876,136</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	146,644	876,136
	<u><u>146,644</u></u>	<u><u>876,136</u></u>

CLYDESDALE ENGINEERING LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	876,136	(729,492)	146,644
Finance leases	(555,403)	133,560	(421,843)
	<u>320,733</u>	<u>(595,932)</u>	<u>(275,199)</u>

The notes on pages 17 to 36 form part of these financial statements.

CLYDESDALE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Clydesdale Engineering Limited is a private company (Company number: 09907518) limited by shares incorporated in England and Wales. The registered office is c/o Marble Power, 1st Floor, 3 More London Place, London SE1 2RE. The principal place of business is Neachells Lane, Willenhall, West Midlands, WV13 3SN. On 7 March 2024 Company changed its name from Shiftec (Willenhall) Limited to Clydesdale Engineering Limited.

The company's principal activity during the prior year was the manufacture of pipe fittings, anti-vibration/shock mountings and clamps, the design, development and manufacturing of parking brake lever systems mainly for off-highway vehicles together with the provision of advanced automotive materials technology and design engineering services.

On 31 March 2022, the company purchased the principal trading activities along with related assets, liabilities and contracts from a fellow subsidiary company, Shiftec Manufacturing Limited at net book value and assumed that company's principal activity, which was the manufacture and supply of metal pressings and assemblies primarily for vehicle producers and suppliers.

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 following principal accounting policies have been applied:

2.2 Going concern

The Company made a profit after tax of £53,162 for the year ended 31 March 2023 (2022: loss £71,304) and the balance sheet showed net assets of £4,679,276 as at 31 March 2023 (2022: £5,448,868). The impact of Covid-19 during the year has not been material and the Company has traded profitably post year end which is forecast to continue into the foreseeable future.

The Company's ultimate parent company is Liberty Steel Group Holdings Pte Ltd, a company incorporated in Singapore with the director, Sanjeev Gupta, being the ultimate beneficial owner.

On 8 March 2021, the Group's primary lender Greensill Capital (UK) Limited ("Greensill") was put in administration. The Group has now signed an updated framework agreement with the Greensill creditors. The agreement is with the parties responsible for the main creditors of Greensill Capital (UK) Limited, Greensill Bank AG and Credit Suisse Asset Management (Switzerland) Limited ("The Creditors") and is a major step in the Group's restructuring. However, the agreement has no direct impact on the day-to-day operation of the Company and the execution of the framework agreement can only further strengthen the financial position of the Company.

The Company does not have any direct relationship with or received any direct funding from Greensill, nor has it been party to any cross guarantees associated with those facilities. The parent group has already successfully completed the refinancing of its Australian operations and is making progress to refinance its other operations where negotiations are ongoing.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.2 Going concern (continued)

During the year, the Company has made various arrangements to consolidate and ultimately remove its intergroup balance positions and reliance on funding with the wider Parent Group. The Company declared an interim dividend of £822,754 on 30 September 2022 to satisfy the resultant previous balance due from its parent company, thus reducing the net assets of the Company by the same amount. The Company also entered into deeds of cross financial support on 10 November 2022 with its fellow subsidiaries, Specialist Mobility Training Limited ("SMT"), Shiftec Composites Limited (now dormant), Shiftec Manufacturing Limited (now dormant) and Clydesdale Jones Limited (now dormant), agreeing not to withdraw funding balances unless individual entities have the funds to repay them and to support each other financially for a period at least to 10 May 2024. Confirmation has been received from the dormant fellow subsidiaries that even after this date, amounts due to them will not be recalled unless the Company has sufficient funds to repay without jeopardising its ability to pay other debts as they fall due.

The director has critically assessed the post year end trading results and the forecast trading and cashflow forecasts for the Company for the next 12 months from the date of signing the accounts. This has included carrying out stress testing of cash flows under various scenarios including various reductions in trading activity, and no cash receipts from fellow subsidiaries being received during the period in respect of outstanding loans. The resultant analysis shows cash headroom under all reasonably foreseeable scenarios.

In light of the above the director has concluded that there are sufficient cash resources available for the Company to continue to trade and meet its debts and obligations as they fall due for a period of net less than 12 months from the approval of the financial statements.

As detailed in note 24, on 14 May 2021 the serious Fraud Office (SFO) announced an investigation into the suspected fraud, fraudulent trading and money laundering concerning the financing and conduct of business of the companies within the Gupta Family Group Alliance (GFG), which includes the ultimate parent company of the Company, including its financing arrangements with Greensill Capital (UK) limited. As detailed therein, the outcome of the investigation cannot be reliably estimated or forecast and remains uncertain, but in the opinion of the director it is not expected to have a material impact on the ability of the Company to continue to trade for the foreseeable future. Accordingly, the director has adopted the going concern basis in the preparation of the Financial Statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position. All differences are taken to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Turnover

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

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

2.5 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the lease term except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.6 Leased assets

Where assets are financed by leasing agreements that transfer substantially all the risks and rewards of ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. Depreciation on the relevant asset is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of the capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

2.7 Interest income

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

2.8 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.

2.9 Pensions

Defined contribution pension plan

The pension costs for defined contribution benefit schemes are the contributions payable in the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

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

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Negative goodwill	-	10	years
-------------------	---	----	-------

Being the period over which the corresponding fixed assets are depreciated.

In respect of negative goodwill transferred from fellow subsidiaries, negative goodwill is transferred at net book value and amortised in accordance with the above policy over the remaining life at the date of transfer.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10 years
---------------------	------------

In respect of fixed assets transferred from fellow subsidiaries, assets transferred are recognised at net book value and depreciated in accordance with the above policy over the remaining life at the date of transfer.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Impairment of fixed assets

At each reporting year end date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the Company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Cost is based on the cost of purchase on a weighted average basis. Net realisable value is based on estimated selling price less further costs to completion and sale.

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

2.15 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Financial instruments

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

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

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

Basic financial instruments

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

Impairment of financial assets

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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

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

Derecognition of financial liabilities

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

2.17 Equity instruments

Equity instruments issued by the Company are recorded at proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised where the revision affects only that year, or in that year of the revision and future years.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of tangible fixed assets

Determine whether there are indicators of impairment of the Company's tangible fixed assets determining any resultant impairment charge. Factors taken into consideration in reaching such a decision and assessing any impairment charge include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit and potential net realisable value of the asset if sold on the open market.

Going concern

Determine whether the basis of preparation of the financial statements as a going concern is appropriate considering the future performance and cash flows of the Company, as disclosed in note 2.2.

Key Sources of estimation and uncertainty

The key sources of estimation and uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Recoverability of group and related party debt

Management make an assessment of whether group and related party debtors are recoverable based on the financial position and performance of the debtor and the needs of the wider group. Where there is objective evidence of impairment or significant doubt as to the recoverability of the balance, a provision is made against the balance due.

Stock impairments and provisions

Management uses valuation techniques to estimate the cost of stocks. The cost of work in progress includes an element of standard cost, which take into account normal levels of materials, labour and manufacturing efficiency. The cost of finished goods is calculated by reducing the sales value of the stock by the appropriate percentage profit margin. These methods are regularly reviewed and revised in the light of current conditions, and any changes in the estimates may affect the carrying amounts of stocks.

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions require judgements to be made, which include forecasting consumer demand, competitive and economic environment and stock loss trends.

A provision for stock loss is made to ensure the accounts reflect the lowest of net realisable value or cost. The provision comprises the loss due to ageing of stocks. Historic costs are used to calculate the provision.

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Judgments in applying accounting policies (continued)*Useful lives of tangible fixed assets & negative goodwill*

Management reviews the useful lives of tangible fixed assets on a regular basis. Any changes in estimates may affect the carrying amounts of the respective tangible fixed assets with a corresponding effect on the related depreciation charge. This will also have an impact on the amortisation of the negative goodwill which is in relation to the useful life of the assets.

4. Turnover

The whole of the turnover is attributable to one class of business, the sale of goods.

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	11,417,537	5,058,824
Rest of Europe	369,810	488,568
Rest of the World	3,272,062	2,855,255
	<u>15,059,409</u>	<u>8,402,647</u>

5. Other operating income

	2023	2022
	£	£
Research and development tax credits	-	23,074
	<u>-</u>	<u>23,074</u>

6. Operating loss

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

	2023	2022
	£	£
Exchange differences	7,040	(31,687)
Hire of plant and equipment	94,688	28,168
Depreciation of owned assets	246,187	111,603
Depreciation of assets held under finance leases and hire purchase contracts	84,400	84,400
Amortisation of negative goodwill	(99,441)	(27,889)
Loss on sale of fixed assets	13,290	-
	<u>13,290</u>	<u>-</u>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	57,000	45,000

8. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	3,314,576	2,084,660
Social security costs	311,960	131,706
Cost of defined contribution scheme	164,133	59,103
	<u>3,790,669</u>	<u>2,275,469</u>

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

	2023 No.	2022 No.
Production, selling and administration	<u>135</u>	<u>69</u>

9. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	171,790	149,609
Bank interest receivable	213	-
	<u>172,003</u>	<u>149,609</u>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Interest payable and similar expenses

	2023	2022
	£	£
Other interest payable - invoice finance	-	24,771
Finance leases and hire purchase contracts	11,772	14,260
	<u>11,772</u>	<u>39,031</u>

11. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	-	41,200
	<u>-</u>	<u>41,200</u>
Total current tax	<u>-</u>	<u>41,200</u>
Deferred tax		
Origination and reversal of timing differences	(4,885)	(39,384)
Total deferred tax	<u>(4,885)</u>	<u>(39,384)</u>
Tax (credit)/charge on profit/(loss)	<u>(4,885)</u>	<u>1,816</u>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) before tax	48,277	(69,488)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	9,173	(13,203)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(18,894)	(4,799)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13,433	15,331
Other differences leading to an increase (decrease) in taxation	-	10,555
Non-taxable income	-	(4,384)
Enhanced R&D deductions	(18,226)	(3,417)
Change in provision against non-recovery of deferred tax asset on trading losses	9,629	1,733
Total tax (credit)/charge for the year	(4,885)	1,816

Factors that may affect future tax charges

The standard rate of UK corporation tax as at enacted at the year end was 25% to take effect from April 2023. Accordingly, these rates have been used in the calculation of deferred tax balances as at 31 March 2023.

12. Dividends

	2023 £	2022 £
Interim dividend	822,754	-
	822,754	-

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Intangible assets

	Negative goodwill £
At 1 April 2022	(1,872,151)
Related disposals of assets	472,919
	<hr/>
At 31 March 2023	(1,399,232)
	<hr/>
At 1 April 2022	(1,172,237)
Charge for the year on owned assets	(99,441)
Related disposals of assets	18,619
	<hr/>
At 31 March 2023	(1,253,059)
	<hr/>
Net book value	
At 31 March 2023	(146,173)
	<hr/> <hr/>
At 31 March 2022	(699,914)
	<hr/> <hr/>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 April 2022	2,458,121
Additions	319,762
Disposals	(548,102)
At 31 March 2023	<u>2,229,781</u>
Depreciation	
At 1 April 2022	334,789
Charge for the year on owned assets	330,587
Disposals	(29,326)
At 31 March 2023	<u>636,050</u>
Net book value	
At 31 March 2023	<u>1,593,731</u>
At 31 March 2022	<u>2,123,332</u>

Included in plant and equipment are assets held under finance leases with a net book value of £599,242 (2022 - £683,642).

15. Stocks

	2023 £	2022 £
Raw materials and consumables	1,579,563	1,067,103
Work in progress (goods to be sold)	286,229	269,183
Finished goods and goods for resale	372,103	311,284
	<u>2,237,895</u>	<u>1,647,570</u>

The carrying value of stocks are stated net of impairment losses totalling £513,051 (2022 - £360,624) . Impairment losses totalling £360,114 (2022 - £72,374) were recognised in profit and loss.

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Debtors

	2023 £	2022 £
Trade debtors	3,314,872	2,411,735
Amounts owed by group undertakings and related parties	1,524,599	3,703,446
Other debtors	107,954	105,242
Prepayments and accrued income	158,011	102,926
	<u>5,105,436</u>	<u>6,323,349</u>

Included in amounts due from group and related undertakings is an amount of £1,336,199 due from a fellow subsidiary. A material uncertainty exists over the ultimate recoverability of this debtor. The director believes the parent group will be able to provide the required ongoing level of financial support to the fellow subsidiary and the debt is therefore ultimately recoverable. However, as detailed in note 2.2, the parent group is in the process of refinancing, and should it for any reason be unable to continue to provide financial support to the subsidiary company, a provision of £1,336,199 may need to be made against the debtor. This would not impact the ability of the Company to continue to trade as a going concern, as explained in note 2.2.

17. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	146,644	876,136
	<u>146,644</u>	<u>876,136</u>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,657,098	1,186,604
Amounts owed to group undertakings and related parties	1,629,769	1,858,490
Corporation tax	41,285	41,285
Other taxation and social security	66,367	111,352
Obligations under finance lease and hire purchase contracts	136,574	133,499
Accruals and deferred income	441,895	1,063,586
	<u>3,972,988</u>	<u>4,394,816</u>

Included in amounts owed to group and related undertakings are amounts due to dormant entities of £1,515,026, who have confirmed that amounts due to them will not be recalled unless the Company has sufficient funds to repay, as disclosed in note 2.2.

Amounts owed to group and related undertakings have no fixed repayment date and are non-interest bearing.

Obligations under finance lease and hire purchase contracts are secured on the related assets.

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	285,269	421,904
	<u>285,269</u>	<u>421,904</u>

Obligations under finance lease and hire purchase contracts are secured on the related assets.

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	136,574	133,499
Between 1-5 years	285,269	421,904
	<u>421,843</u>	<u>555,403</u>

Finance lease payments represent rentals payable by the Company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease obligations are secured on the relevant assets.

21. Deferred taxation

	2023 £
At beginning of year	(4,885)
Credited to profit or loss	4,885
At end of year	<u>-</u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(101,269)	(68,039)
Short term timing differences	6,834	8,339
Tax losses	105,797	56,548
Provision for non-recovery	(11,362)	(1,733)
	<u>-</u>	<u>(4,885)</u>

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100,001 (2022 - 100,001) Ordinary shares of £1.00 each	<u>100,001</u>	<u>100,001</u>

23. Reserves**Profit and loss account**

Profit and loss account represents accumulated realised profits which have been retained in the company.

24. Contingent liabilities

The Company was a member of a VAT group with fellow group companies and accordingly was jointly and severally liable for any VAT liability due. The level of group VAT liability or asset varies depending on where in the VAT cycle the group is and on the underlying transactions of companies within the group. The VAT payable by the group as at 31 March 2023 was £522,529 (2022: £560,912). Post year end the company left the VAT group without any liability crystallising.

Serious Fraud Office (SFO) investigation

On 14 May 2021 the Serious Fraud Office (SFO) announced an investigation into suspected fraud, fraudulent trading and money laundering concerning the financing and conduct of business of companies within the Gupta Family Group Alliance (GFG), which includes the ultimate parent company of the Company, including its financing arrangements with Greensill Capital (UK) Limited.

As at the date of the approval of the financial statements, the investigation is still live and is expected to be several years before it will reach a conclusion. The SFO have made requests for information relating to certain entities within the GFG Group and the GFG group is cooperating with these requests. The Company has not received any communication or visits from the SFO and has not had any direct dealings with Greensill Capital (UK) Limited. It has however historically received funding from its Parent Group during the period certain Parent Group entities were financed through Greensill Capital (UK) Limited, although no longer has any funding arrangements with its Parent Group.

Entities within GFG group may be exposed to the risk of civil, criminal and regulatory actions and liabilities arising from any adverse findings coming from the SFO investigation, although the future direction nor outcome of the investigation and its impact including any liabilities arising on the Parent Group and the Company, if any, at present cannot be reliably estimated or forecast.

In the opinion of the director, the SFO investigation is not expected to have a material impact on the Company.

25. Pension commitments

The amount of unpaid pension included in the Statement of Financial Position at 31 March 2023 is £29,105 (2022: £7,945)

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	57,374	57,374
Later than 1 year and not later than 5 years	229,495	229,495
Later than 5 years	28,687	86,061
	<u>315,556</u>	<u>372,930</u>

On 17 October 2023, the Company acquired the lease interest and remaining lease commitments of Shiftec Manufacturing Limited, consisting of a property lease with annual rentals of £304,000 payable to June 2032.

27. Related party transactions

Amounts due to and from group and related undertakings are detailed in notes 16 and 18.

During the year the company entered into the following transactions with related parties:

Group undertakings:

Shiftec Manufacturing Limited - rent and utility charges payable £1,316,160 (2022 - £nil)
Specialist Mobility Training Limited - interest received £40,389 (2022 - £nil) and sales of £103,816 (2022 - £1,500)
Liberty Finance Management Limited - interest received £131,401 (2022 - £144,779)
Accles & Pollock Limited - sales of £13,754 (2022 - £nil) and purchases of £121,195 (2022 - £27,087)
Durisotti Sallaumines - sales of £nil (2022 - £128,970) and purchases of £nil (2022 - £1,802)
Shiftec (Leamington) Limited - sales £8,873 (2022 - £23,455) and purchases of £26,685 (2022 - £97,904)
Hub le Bas Limited - purchases £15,904 (2022 - £3,468)
Alvance Aluminium Wheels Limited - purchases of £nil (2022 - £33,530)
Liberty Tillet SAS - purchases of £nil (2022 - £18,771)
C S Management Services Limited - sales of £535,351 (2022 - £897,515), expenditure of £596,063 (2022 - £620,105)

Related undertakings - under common control:

Wyelands Capital Limited - management charges of £nil (2022 - £128,652)
CMT Engineering Limited - purchases of £116,066 (2022 - £132,222)
Marble Power Limited - administration expenses charged of £nil (2022 - £641,622)

28. Post balance sheet events

On 7 March 2024 the company changed its name to Clydesdale Engineering Limited.

CLYDESDALE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

29. Controlling party

The immediate parent company is Liberty Advanced Engineering Products Pte Ltd, a company incorporated in Singapore. At 31 March 2023 the ultimate parent company was Liberty Steel Group Holdings Pte Ltd.

The largest and smallest groups in which the results of the Company are consolidated are headed by Liberty Steel Group Holdings Pte Ltd and Liberty Engineering Group Pte Ltd. The financial statements are publicly available by writing to the Company Secretary at 8 Marina View, #40-06 Asia Square Tower 1, Singapore 018960.

The ultimate controlling party is S K Gupta.