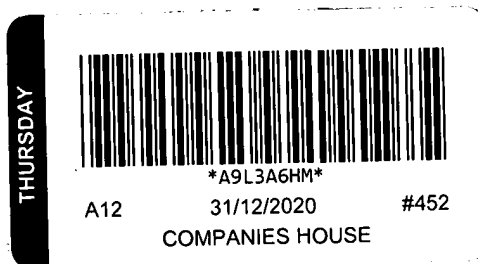


# **GM Leitch (Holdings) Limited**

## **Annual report and financial statements**

**for the year ended 31 December 2019**

Registered number: 09466708



# **GM Leitch (Holdings) Limited**

## **Contents**

|                                                                                 | <b>Page</b> |
|---------------------------------------------------------------------------------|-------------|
| Officers and professional advisers                                              | 1           |
| Strategic report                                                                | 2           |
| Director's report                                                               | 3           |
| Statement of director's responsibilities in respect of the financial statements | 5           |
| Independent auditor's report to the members of GM Leitch (Holdings) Limited     | 6           |
| Profit and loss account                                                         | 8           |
| Balance sheet                                                                   | 9           |
| Statement of changes in equity                                                  | 10          |
| Notes to the financial statements                                               | 11          |

# **GM Leitch (Holdings) Limited**

## **Officers and professional advisers**

### **DIRECTOR**

N Cattell (appointed 09/01/2020)

S Scott (resigned 09/01/2020)

### **REGISTERED OFFICE**

CorpAcq House

1 Goose Green

Altrincham

Cheshire

WA14 1DW

### **INDEPENDENT AUDITOR**

BDO LLP

3 Hardman Street

Spinningfields

Manchester

M3 3AT

# **GM Leitch (Holdings) Limited**

## **Strategic report**

The director presents the strategic report, together with the director's report, audited financial statements and auditor's report, for the year ended 31 December 2019.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is to act as an intermediate holding company.

### **BUSINESS AND FINANCE REVIEW**

The company is 90% owned by CorpAcq Finance Limited. The company holds the entire share capital of G.M. Leitch Limited. The cost of the investment is disclosed in note 7 to the financial statements.

The company's results and financial position are set out in the profit and loss account and balance sheet on pages 8 and 9.

### **KEY PERFORMANCE INDICATORS**

The director considers the company's key performance indicator to be the financial performance of its subsidiary G.M. Leitch Limited. The performance of G.M. Leitch Limited is monitored monthly by the director by way of a comprehensive management report and as the company is, and is expected to continue to be, profitable the director considers the key performance indicator outcome to be satisfactory.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Since the company does not trade, the director perceives the only risk facing this business to be a significant downturn in trading of G.M. Leitch Limited. This risk is mitigated through regular review by the board.

The company considers its principal risk to be the financial performance of its subsidiary company, which supports the carrying value of the company's investment and which provides support to this company to meet its liabilities as they fall due. The risk is managed through regular review by the board.

Details regarding the adoption of the going concern basis of accounting in preparing the financial statements can be found in note 1 to the financial statements and the Director's report.

### **FUTURE DEVELOPMENTS**

The director expects the company to continue to act as an intermediate holding company for the foreseeable future.

Approved on behalf of the Board of Directors on 29 October 2020.  
and signed on its behalf by:



N Cattell  
Director

CorpAcq House  
1 Goose Green  
Altrincham  
Cheshire  
WA14 1DW

# **GM Leitch (Holdings) Limited**

## **Director's report**

The director presents the annual report on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 December 2019.

### **DIRECTOR**

The director who held office during the year and to the date of this report, unless otherwise stated, as noted on page 1.

### **GOING CONCERN**

The principal activity of the Company is to act as an intermediate holding company. The director has therefore considered the application of the going concern principle of the trading subsidiary, G. M. Leitch Limited. Although the impact of COVID 19 is not yet fully known the directors of G. M. Leitch Limited have taken steps to mitigate the effects of COVID 19. The business has been reshaped to manage the situation and ensure its longer term objectives can be met.

At the time of writing this report, both the UK and the World are facing huge challenges with fighting the COVID 19 pandemic and the economic uncertainty that has been created. During this period G. M. Leitch Limited has continued to trade and its directors are committed to ensuring employees safety and wellbeing whilst also continuing to meet customer demand. The cash position is healthy with a strong supplier and customer network which the directors are confident will help the group through this difficult period.

The director considers the investment in the subsidiary undertaking to be recoverable on the basis of the financial position and performance of the trading subsidiary, G.M. Leitch Limited. At the balance sheet date G. M. Leitch Limited has net assets of £4.9m, was profitable and has continued to be so through 2020 to the date of approval of these financial statements.

At the balance sheet date the company has loans due within one year totalling £3.4m. £0.6m is repayable to parent undertakings and the Director is in receipt of confirmation that these monies will not be called upon for repayment until the company has sufficient liquid resources to make the repayment. The remaining £2.8m is due to the trading subsidiary by virtue of its cashflows funding the repayment of monies due to CorpAcq Limited. On the basis the investment in the company is recoverable the director considers that this liability can be settled, if required, in the normal course of business by recovering the value of the investment through dividends paid by the subsidiary entity.

On the basis of the above the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, he continues to adopt the going concern basis in preparing the annual report and financial statements.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company's objective is to manage the working capital cycle in an effective manner to minimise support from financial institutions.

#### ***Cash flow risk***

The Company's cash flow risk is relatively low with its function as a holding company. The loan due on demand is within the CorpAcq Group and the financial statements are prepared on a going concern basis. The timing of any of these repayments does not create a cashflow risk, see Going Concern review for details.

#### ***Credit risk***

The Company's principal financial assets are investments and has no significant concentration of credit risk.

#### ***Liquidity risk***

Liquidity risk at the Company is insignificant as the majority of its financial liabilities except deferred consideration are all with other companies within the CorpAcq Group. Further details regarding how this risk is managed is discussed within the Going Concern review.

# **GM Leitch (Holdings) Limited**

## **Director's report (continued)**

### **Dividends**

The director does not propose the payment of a dividend (2018: £nil).

### **Qualifying Third Party Indemnity Provisions**

Qualifying third party indemnity provisions were in place for all directors during the current year.

### **POST BALANCE SHEET EVENTS**

Since the reporting date the worldwide coronavirus pandemic has affected companies and countries across the globe. The impact on the company is minimal given the nature of the company being an intermediate holding company. The mitigation strategies and trading information of the subsidiary are discussed above and in the going concern assessment in the accounting policies. This is a non-adjusting post balance sheet event for the company.

### **STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITOR**

The person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

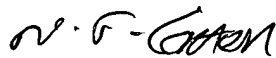
### **INDEPENDENT AUDITOR**

The Annual General Meeting will be held at the registered office of GM Leitch (Holdings) Limited

PricewaterhouseCoopers LLP resigned as auditor of the company during the year and BDO LLP were appointed as auditor of the company by the director. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditor will be proposed at the next annual general meeting.

Approved by the Board and signed on its behalf by

29/12/2020



N Cattell  
Director

CorpAcq House  
1 Goose Green  
Altrincham  
Cheshire  
WA14 1DW

## **GM Leitch (Holdings) Limited**

### **Statement of director's responsibilities in respect of the financial statements**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The director 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.

# **GM Leitch (Holdings) Limited**

## **Independent auditor's report to the members of GM Leitch (Holdings) Limited**

### **Opinion**

We have audited the financial statements of GM Leitch (Holdings) Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and 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 Director's report have been prepared in accordance with applicable legal requirements.

# GM Leitch (Holdings) Limited

## Independent auditor's report to the members of GM Leitch (Holdings) Limited (continued)

### 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 and 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Director

As explained more fully in the Statement of Director's Responsibilities, 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 has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

BDO LLP

Gary Harding (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester, UK  
29 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# GM Leitch (Holdings) Limited

## Profit and loss account

For the year ended 31 December 2019

|                                                                 | Note | 2019<br>£              | 2018<br>£              |
|-----------------------------------------------------------------|------|------------------------|------------------------|
| Finance costs                                                   | 5    | <u>(72,000)</u>        | <u>(99,722)</u>        |
| <b>Loss on ordinary activities before taxation</b>              |      | <b>(72,000)</b>        | <b>(99,722)</b>        |
| Tax on loss                                                     | 6    | <u>13,680</u>          | <u>13,680</u>          |
| <b>Loss and total comprehensive loss for the financial year</b> |      | <b><u>(58,320)</u></b> | <b><u>(86,042)</u></b> |

All results relate to continuing operations.

There are no recognised income and expenses other than those stated above in the current year. Accordingly, a separate statement of total comprehensive income has not been presented.

The notes on pages 11 to 17 form part of these financial statements.

# GM Leitch (Holdings) Limited

## Balance sheet At 31 December 2019

|                                                                | Note | 2019<br>£          | 2018<br>£          |
|----------------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                                            |      |                    |                    |
| Investments                                                    | 7    | <u>3,513,781</u>   | <u>3,513,781</u>   |
| <b>Current assets</b>                                          |      |                    |                    |
| Debtors                                                        | 8    | <u>1</u>           | <u>1</u>           |
|                                                                |      | 1                  | 1                  |
| <b>Creditors</b>                                               | 9    | <u>(3,926,818)</u> | <u>(3,868,497)</u> |
| <b>Net current liabilities</b>                                 |      | <u>(3,926,817)</u> | <u>(3,868,49)</u>  |
| <b>Total assets less current liabilities</b>                   |      | (413,036)          | (354,716)          |
| <b>Creditors: amounts falling due after more than one year</b> | 10   | <u>-</u>           | <u>-</u>           |
| <b>Net liabilities</b>                                         |      | <u>(413,036)</u>   | <u>(354,716)</u>   |
| <b>Capital and reserves</b>                                    |      |                    |                    |
| Called-up share capital                                        | 11   | <u>1</u>           | <u>1</u>           |
| Profit and loss account                                        |      | <u>(413,037)</u>   | <u>(354,717)</u>   |
| <b>Total Shareholders' deficit</b>                             |      | <u>(413,036)</u>   | <u>(354,716)</u>   |

The financial statements of GM Leitch (Holdings) Limited, registered number 9466708 were approved by the Board of Directors and authorised for issue on 29 December 2020. They were signed on its behalf by:

*N. Cattell*

N Cattell  
Director

The notes on pages 11 to 17 form part of these financial statements.

## **GM Leitch (Holdings) Limited**

### **Statement of changes in equity For the year ended 31 December 2019**

|                             | <b>Called-up<br/>share<br/>capital<br/>£</b> | <b>Profit and<br/>Loss<br/>account<br/>£</b> | <b>Total<br/>Shareholders<br/>deficit<br/>£</b> |
|-----------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------------------|
| At 1 January 2018           | 1                                            | (268,675)                                    | (268,675)                                       |
| Loss for the financial year | -                                            | (86,042)                                     | (86,042)                                        |
| <b>At 31 December 2018</b>  | <b>1</b>                                     | <b>(354,717)</b>                             | <b>(354,716)</b>                                |
| Loss for the financial year | -                                            | (413,037)                                    | (413,037)                                       |
| <b>At 31 December 2019</b>  | <b>1</b>                                     | <b>(413,036)</b>                             | <b>(413,036)</b>                                |

The notes on pages 11 to 17 form part of these financial statements.

# GM Leitch (Holdings) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

#### *a. General information and basis of accounting*

GM Leitch (Holdings) Limited is a private company incorporated in the England and Wales under the Companies Act and is limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of GM Leitch (Holdings) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

GM Leitch (Holdings) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. GM Leitch (Holdings) Limited is consolidated in the financial statements of its parent, CorpAcq Limited, which may be obtained at CorpAcq House, 1 Goose Green, Altrincham, Cheshire, WA14 1DW, United Kingdom. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of CorpAcq Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company, which are publicly available.

#### *b. Going concern*

The principal activity of the Company is to act as an intermediate holding company. The director has therefore considered the application of the going concern principle of the trading subsidiary, G. M. Leitch Limited. Although the impact of COVID 19 is not yet fully known the directors of G. M. Leitch Limited have taken steps to mitigate the effects of COVID 19. The business has been reshaped to manage the situation and ensure its longer term objectives can be met.

At the time of writing this report, both the UK and the World are facing huge challenges with fighting the COVID 19 pandemic and the economic uncertainty that has been created. During this period G. M. Leitch Limited has continued to trade and its directors are committed to ensuring employees safety and wellbeing whilst also continuing to meet customer demand. The cash position is healthy with a strong supplier and customer network which the directors are confident will help the group through this difficult period.

The director considers the investment in the subsidiary undertaking to be recoverable on the basis of the financial position and performance of the trading subsidiary, G.M. Leitch Limited. At the balance sheet date G. M. Leitch Limited has net assets of £4.9m, was profitable and has continued to be so through 2020 to the date of approval of these financial statements.

At the balance sheet date the company has loans due within one year totalling £3.4m. £0.6m is repayable to parent undertakings and the director is in receipt of confirmation that these monies will not be called upon for repayment until the company has sufficient liquid resources to make the repayment. The remaining £2.8m is due to the trading subsidiary by virtue of its cashflows funding the repayment of monies due to CorpAcq Limited. On the basis the investment in the company is recoverable the director considers that this liability can be settled, if required, in the normal course of business by recovering the value of the investment through dividends paid by the subsidiary entity.

On the basis of the above the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, he continues to adopt the going concern basis in preparing the annual report and financial statements.

# GM Leitch (Holdings) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### c. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current year or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

# **GM Leitch (Holdings) Limited**

## **Notes to the financial statements For the year ended 31 December 2019**

### **1. Accounting policies (continued)**

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *(ii) Investments*

Investments in subsidiaries are measured at cost less impairment.

#### *(iii) Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

### **d. Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below

#### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### **e. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **f. Deferred consideration**

Deferred consideration, payable to the former owners of the business on the acquisition of the investment in this company by CorpAcq Limited, is disclosed within creditors in accordance with the timing of when the payments fall due and is measured at amortised cost.

# GM Leitch (Holdings) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Company's accounting policies*

The director does not consider that the amounts recognised in the financial statements have been significantly affected by any critical judgements made in the process of applying the Company's accounting policies.

### 3. Auditor remuneration

Fees payable to BDO LLP (2018: PricewaterhouseCoopers LLP) for the audit of the Company's annual financial statements were £1,000 (2018: £700) and have been borne by other group companies and have not been recharged.

Fees payable to BDO LLP (2018: PricewaterhouseCoopers LLP) for non-audit services to the Company for non-audit services totalled £nil (2018: £ nil).

### 4. Staff numbers and director

There were no employees, other than the director, of the company during the current year (2018: nil).

The director was remunerated via other group companies during the current year (2018: same). No amount is attributable to qualifying services or recharged.

### 5. Finance costs

|                                    | 2019<br>£     | 2018<br>£     |
|------------------------------------|---------------|---------------|
| Intercompany interest payable      | 72,000        | 72,000        |
| Interest on deferred consideration | -             | 27,722        |
|                                    | <u>72,000</u> | <u>99,722</u> |

## GM Leitch (Holdings) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 6. Tax on loss

The tax credit comprises:

|                                                   | 2019<br>£       | 2018<br>£       |
|---------------------------------------------------|-----------------|-----------------|
| <b>Current tax on loss on ordinary activities</b> |                 |                 |
| UK corporation tax                                | (13,680)        | (13,680)        |
| <b>Total current tax</b>                          | <u>(13,680)</u> | <u>(13,680)</u> |
| <b>Total tax</b>                                  | <u>(13,680)</u> | <u>(13,680)</u> |

As at the reporting date, reductions in the UK tax rate from 19% to 17% effective from 1 April 2020, had been substantively enacted.

Under legislation substantively enacted on 17 March 2020, after the reporting date, the UK tax rate will remain to be 19% from 1 April 2020 onwards. This will affect the calculation of future tax charges.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before taxation is as follows:

|                                                                         | 2019<br>£       | 2018<br>£       |
|-------------------------------------------------------------------------|-----------------|-----------------|
| <b>Loss before taxation</b>                                             | <u>(72,000)</u> | <u>(99,722)</u> |
| Tax on loss s at standard UK corporation tax rate of 19%<br>(2018: 19%) | (13,680)        | (18,947)        |
| Effects of:<br>Expenses not deductible                                  | -               | 5,267           |
| <b>Total tax credit for year</b>                                        | <u>(13,680)</u> | <u>(13,680)</u> |

# GM Leitch (Holdings) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 7. Investments

|                                        | Unlisted<br>investments<br>£ |
|----------------------------------------|------------------------------|
| <b>Cost and net book value</b>         |                              |
| At 1 January 2019 and 31 December 2019 | 3,513,781                    |

The company holds an investment in the following subsidiary undertaking, registered in Scotland:

| Company             | Principal activity               | Shares held |     |
|---------------------|----------------------------------|-------------|-----|
|                     |                                  | Class       | %   |
| G.M. Leitch Limited | Sale and hire of forklift trucks | Ordinary    | 100 |

The registered address of the subsidiary entity is 7 Henderson Drive, Inverness, IV1 1TR.

### 8. Debtors

|                                     | 2019<br>£ | 2018<br>£ |
|-------------------------------------|-----------|-----------|
| Amounts due from group undertakings | 1         | 1         |
|                                     | <u>1</u>  | <u>1</u>  |

### 9. Creditors: amounts falling due within one year

|                                    | 2019<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 3,426,818        | 3,158,498        |
| Deferred consideration             | 500,000          | 710,000          |
|                                    | <u>3,926,818</u> | <u>3,868,498</u> |

Amounts owed to group undertakings attracts no interest and has no set repayment terms.

#### *Deferred consideration*

The creditor in respect of deferred consideration is in respect of the acquisition of GM Leitch Limited and the balance is repayable in monthly instalments.

# GM Leitch (Holdings) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 10. Called up share capital

|                                           | 2019<br>£ | 2018<br>£ |
|-------------------------------------------|-----------|-----------|
| <b>Allotted, called-up and unpaid</b>     |           |           |
| 1 (2018: 1) Ordinary shares of £1.00 each | 1         | 1         |

The Company has one class of ordinary shares which carry no right to fixed income.

### 11. Related party transactions

#### *Other related party transactions*

The company held, at the year-end date, an intercompany loan from CorpAcq Limited, the ultimate parent company, of £600,000 (2018: £600,000).

The company held, at the year-end date, an intercompany creditor balance of £2,892,154 (2018: £2,610,154) with GM Leitch Limited, its subsidiary undertaking.

Also included in amounts owed to group undertakings is a group relief debtor of £65,336 (2018: £51,656).

The company's subsidiary undertaking made interest payments on behalf of GM Leitch Holdings Limited in respect of an intercompany loan of £72,000 (2018: £72,000) with CorpAcq Limited.

The company made deferred consideration payments of £210,000 (2018: £130,000) to Gordon Leitch, one of the directors. The balance due to Gordon Leitch is £500,000 (2018: £710,000).

### 12. Controlling party

The immediate parent company is Caledonia Materials Handling Limited. The ultimate parent Company is Orange UK Holdings Limited (Registered office of both immediate and ultimate parent: CorpAcq House, 1 Goose Green, Altrincham, Cheshire, WA14 1DW). Both are companies registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Orange UK Holdings Limited. The smallest group in which the results of the Company are consolidated is that headed by CorpAcq Limited. The consolidated financial statements of the group are available to the public and may be obtained from CorpAcq Limited at CorpAcq House, 1 Goose Green, Altrincham, Cheshire, WA14 1DW, United Kingdom.

The director considers that, by virtue of his shareholding in the ultimate parent Company, the ultimate controlling party is Mr S Orange.

### 13. Post balance sheet events

Since the reporting date the worldwide coronavirus pandemic has affected companies and countries across the globe. The impact on the company is minimal given the nature of the company being an intermediate holding company. The mitigation strategies and trading information of the subsidiary are discussed in the Director's report and in the going concern assessment in the accounting policies. This is a non-adjusting post balance sheet event for the company.