

GM Leitch (Holdings) Limited

Annual report and financial statements

for the year ended 31 December 2022

Registered number: 09466708

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GM Leitch (Holdings) Limited

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GM Leitch (Holdings) Limited

Officers and professional advisers

DIRECTOR

N Cattell

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 2022.

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 9 and 10.

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.

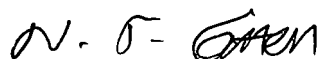
Details regarding the adoption of the going concern basis of accounting in preparing the financial statements can be found in note 1 to the financial statements and the Director's report.

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
and signed on its behalf by:

15/12/ 2023.



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 2022.

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.

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. G. M. Leitch Limited was profitable in 2022 and has continued to be so through 2023 to the date of approval of these financial statements.

At the balance sheet date, the company has loans due within one year totalling £1.0m. £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 £0.4m 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.

Further to the confirmation received from the parent undertaking that the amount repayable will not be called upon for repayment the director is aware that having performed their assessment on going concern, the directors of the parent undertaking consider it appropriate to prepare the financial statements of the group and the parent undertaking on the going concern basis, however, in doing so, they also recognise that the completion of the parent undertaking's refinancing of a £200m facility, which is reliant on the signing of the financial statements by the directors and the respective audit report by the auditors, creates a material uncertainty at the date of the parent undertaking's financial statements as the refinancing will not have been completed at this time.

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 whilst at the same time recognising the status of the refinancing of the parent undertaking. In summary the company is reliant upon the support of its parent undertaking, which has itself reported a material uncertainty in relation to going concern due to the status of its refinance transaction. This represents a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business

The financial statements do not include any adjustments that would be necessary if the company was unable to continue as a going concern.

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.

GM Leitch (Holdings) Limited

Director's report (continued)

Liquidity risk

Liquidity risk at the Company is limited as the majority of its financial liabilities are all with other companies within the CorpAcq Group with the exception of deferred consideration.

Dividends

The director does not propose the payment of a dividend (2021: £nil).

Qualifying Third Party Indemnity Provisions

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

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.

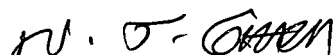
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

INDEPENDENT AUDITOR

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

The auditor, BDO LLP, will be proposed for re-appoint in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf on 15/12/ 2023



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 on the financial statements

In our opinion the financial statements:

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

We have audited the financial statements of GM Leitch (Holdings) Limited ("the company") for the period ended 31 December 2022 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).

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.

Material uncertainty relating to going concern

We draw attention to note 1 to the financial statements, which indicates that the company has obtained confirmation from its parent undertaking that amounts repayable to them will not be called for repayment until the company has sufficient liquid resources to make the repayment.

Further to the confirmation received from the parent undertaking, the director is aware that having performed their assessment on going concern, the directors of the parent undertaking consider it appropriate to prepare the financial statements of the group and the parent undertaking on the going concern basis, however, in doing so, they also recognise that the completion of the parent undertaking's refinancing of a £200m facility, which is reliant on the finalisation of the audited financial statements and as such will not have completed at the date the parent undertaking's financial statements are signed. Therefore the company is reliant upon the support of its parent undertaking, which has itself reported a material uncertainty in relation due to going concern due to the status of its refinance transaction.

As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

We have nothing to report in this regard.

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

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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of the Directors

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

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding and accumulated knowledge of the company we considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the company's accounting policies, the financial reporting framework, and the UK Companies Act 2006. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

GM Leitch (Holdings) Limited

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

Auditor's responsibilities for the audit of the financial statements (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Identifying and testing journal entries to key financial statement areas such as investments, amounts owed from subsidiary undertakings and amounts owed to parent undertakings;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

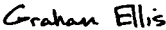
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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.

DocuSigned by:

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Graham Ellis (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

15 December 2023

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 2022

	Note	2022 £	2021 £
Income from investment – dividends		64,995	3,016,154
Finance costs	5	<u>(72,000)</u>	<u>(96,995)</u>
(Loss)/profit on ordinary activities before taxation		(7,005)	2,919,159
Tax on (loss)/profit	6	<u>13,680</u>	<u>18,429</u>
Profit and total comprehensive income for the financial year attributable to equity holders of the company		<u>6,675</u>	<u>2,937,588</u>

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 12 to 18 form part of these financial statements.

GM Leitch (Holdings) Limited

Balance sheet

At 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	7	<u>3,513,781</u>	<u>3,513,781</u>
Current assets			
Debtors	8	<u>1</u>	<u>1</u>
		1	1
Creditors	9	<u>(1,040,875)</u>	<u>(1,047,550)</u>
Net current liabilities		<u>(1,040,874)</u>	<u>(1,047,549)</u>
Net assets		<u>2,472,907</u>	<u>2,466,232</u>
Capital and reserves			
Called-up share capital	10	1	1
Profit and loss account		<u>2,472,906</u>	<u>2,466,231</u>
Total Shareholders' funds		<u>2,472,907</u>	<u>2,466,232</u>

The financial statements of GM Leitch (Holdings) Limited, registered number 09466708 were approved by the Board of Directors and authorised for issue on 15/12/2023. They were signed on its behalf by:



N Cattell
Director

The notes on pages 12 to 18 form part of these financial statements.

GM Leitch (Holdings) Limited

Statement of changes in equity For the year ended 31 December 2022

	Called-up share capital £	Profit and loss account £	Total shareholders deficit £
At 1 January 2021	1	(471,357)	(471,356)
Profit for the financial year	-	2,937,588	2,937,588
At 31 December 2021	1	2,466,231	2,466,231
Profit for the financial year	-	6,675	6,675
At 31 December 2022	1	2,472,906	2,472,907

The notes on pages 12 to 18 form part of these financial statements.

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

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 2.

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.

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. G. M. Leitch Limited was profitable in 2022 and has continued to be so through 2023 to the date of approval of these financial statements.

At the balance sheet date, the company has loans due within one year totalling £1.0m. £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 £0.4m 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.

Further to the confirmation received from the parent undertaking that the amount repayable will not be called upon for repayment the director is aware that having performed their assessment on going concern, the directors of the parent undertaking consider it appropriate to prepare the financial statements of the group and the parent undertaking on the going concern basis, however, in doing so, they also recognise that the completion of the parent undertaking's refinancing of a £200m facility, which is reliant on the signing of the financial statements by the directors and the respective audit report by the auditors, creates a material uncertainty at the date of the parent undertaking's financial statements as the refinancing will not have been completed at this time.

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 whilst at the same time recognising the status of the refinancing of the parent undertaking. In summary the company is reliant upon the support of its parent undertaking, which has itself reported a material uncertainty in relation to going concern due to the status of its refinance transaction. This represents a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

The financial statements do not include any adjustments that would be necessary if the company was unable to continue as a going concern.

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.

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

1. Accounting policies (continued)

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.

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 2022

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 for the audit of the Company's annual financial statements were £5,000 (2021: £1,000) and have been borne by other group companies and have not been recharged.

Fees payable to BDO LLP for non-audit services to the Company for non-audit services totalled £nil (2021: £nil).

4. Staff numbers and director

There were no employees, other than the director, of the company during the current year (2021: nil).

The director was remunerated via other group companies during the current year (2021: same). No amount is attributable to qualifying services or recharged.

5. Finance costs

	2022 £	2021 £
Intercompany interest payable	(72,000)	(72,000)
Other interest payable	-	(24,995)
	<u>(72,000)</u>	<u>(96,995)</u>

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

6. Tax on (loss)/profit

The tax credit comprises:

	2022 £	2021 £
Current tax on (loss)/profit on ordinary activities		
UK corporation tax	(13,680)	(18,429)
Total current tax	<u>(13,680)</u>	<u>(18,429)</u>
Total tax	<u>(13,680)</u>	<u>(18,429)</u>

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

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:

	2022 £	2021 £
(Loss)/profit before taxation	<u>(7,005)</u>	<u>2,919,159</u>
Tax on loss at standard UK corporation tax rate of 19% (2021: 19%)	(1,331)	554,640
Effects of:		
Income not taxable	(12,349)	(573,069)
Total tax credit for year	<u>(13,680)</u>	<u>(18,429)</u>

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

7. Investments

	Unlisted investments £
Cost and net book value	
At 1 January 2021 and 31 December 2022	<u>3,513,781</u>

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

	2022 £	2021 £
Amounts due from group undertakings	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	1,040,875	982,555
Deferred consideration	-	40,000
Accruals	-	24,995
	<u>1,040,875</u>	<u>1,047,550</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. A payment holiday was taken in 2020 and was agreed with the vendor. The deferred consideration was settled in 2022 and interest was paid 4% p/a.

GM Leitch (Holdings) Limited

Notes to the financial statements For the year ended 31 December 2022

10. Called up share capital

	2022 £	2021 £
Allotted, called-up and unpaid		
1 (2021: 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 intermediate parent company, of £600,000 (2021: £600,000).

The company held, at the year-end date, an intercompany creditor balance of £616,995 (2021: £480,000) with GM Leitch Limited, its subsidiary undertaking.

Also included in amounts owed to group undertakings is a group relief debtor of £111,125 (2021: £92,696).

The company's subsidiary undertaking made interest payments on behalf of GM Leitch Holdings Limited in respect of an intercompany loan of £72,000 (2021: £72,000) with CorpAcq Limited.

The company made deferred consideration payments of £40,000 (2021: £240,000) to Gordon Leitch, one of the directors. The balance due to Gordon Leitch is £nil (2021: £40,000).

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.