

Registered number: 00755641

Ivor Shaw Limited

Directors' Report and Financial Statements

For the Year Ended 31 March 2023

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Ivor Shaw Limited

Company Information

Directors	K Somerfield G Cameron
Registered number	00755641
Registered office	City Gate London Road Derby Derbyshire DE24 8WY
Independent auditors	Dains Audit Limited Statutory Auditor & Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Bankers	Lloyds Bank Plc 25 Greasham Street London EC2V 7HN

Ivor Shaw Limited

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Ivor Shaw Limited

Strategic Report For the Year Ended 31 March 2023

Business review

Ivor Shaw Limited trading as Pennine Healthcare has several business streams to provide a broad offering to our customer base:

1. We specialise in the production of sterile products for urology and surgical suction applications.
2. We assemble customised packs for a wide variety of surgical procedures for veterinary and medical applications.
3. We buy and sell medical devices, surgical supplies and personal protective equipment.
4. We provide contract manufacturing capacity for other companies.

The company continually looks for opportunities to increase its portfolio and customer base and over the last few years has adopted a culture of change within the business.

During the year we have shared our Vision with all stakeholders of the company, which we believe will focus us to grow the company going forward.

Our focus is healthcare. We protect life by being the UK's leading manufacturer and distributor of medical devices. Through innovation of technology and processes, we ensure that value for money always exceeds what is paid for by our customers. Every day we will deliver superior quality and value for our customers and healthcare partners by supporting improved health to the highest of standards. We serve the NHS, International Distributors, Veterinary Professionals and other Medical Device & Pharmaceutical suppliers, driven by a culture of agility and honesty. At our core is our People, who we listen to. We work as One Team to drive continuous improvement, so that our customers and communities can prosper. We encapsulate The Derby Spirit.

We have also identified a clear purpose that all employees can identify with, this is: Protecting Life; Empowering Colleagues; Enriching Communities.

The results for the company show an operating profit of £115 thousand for the year ending March 2023 on a turnover of £20.3 million, this is a significant drop on 2022 (operating profit £8.83 million on turnover of £36.5 million), which had £15.9 million revenue relating to the pandemic.

Trading

The first three months of the financial year proved difficult, as we went through our Medical Devices Regulations Audit. We received Medical Device Regulation certificates and UKCA certificates for all our product offerings. This is an incredible achievement and a great opportunity for us while our competitors go through the process in the run up to 2024. Following this success, sales over the last 6 months have been buoyant.

The European pack businesses is improving as elective surgeries increase and we are responding to more tenders for new business as a result. We have started entering into new pack tenders within the UK, which is now open to us.

Along with most businesses, we have seen costs of our key materials increase significantly over the last 12 months. Compound increased to a peak in July 2022, but has returned to spring 2022 pricing by the end of the year. Packaging costs have risen again, particularly plastics and film following the introduction of the plastic packaging tax in April 2022.

Purchases from India and the far east have continued to see high freight costs for most of the year, but these started to reduce in the fourth quarter and look to be returning to pre pandemic levels for the next financial year.

The demand for additional PPE across our markets has disappeared. The UK still holds large stockpiles and NHS tenders have been put on hold whilst stock holding is reviewed.

Research and development

This reduced during the pandemic and while we concentrated on our MDR certification. We have since restructured to focus on new products and technologies going forward to improve our customer offering.

Ivor Shaw Limited

Strategic Report (continued) For the Year Ended 31 March 2023

Ethical trading

We have recently been awarded LSAS Level 3 independently audited by Lloyds underpinned by our own ethical trading policy.

Sustainability

We have assigned dedicated resources to drive our on-going projects focussing on pollution prevention, energy and carbon reduction, and waste management. Our kWh usage over the total site has dropped by over 2.3% compared to the previous financial year and our focus has now moved to achieving net zero in 2050. We monitor and report on all our plastic packaging purchases and usage and are looking to move to recycled plastic where possible to reduce our tax and environmental levies.

Social Values and Wellbeing Trust

With ownership moving to an Employee Owned Trust, we have a stronger focus on our employees and the wider community. This is an area that we will continue to develop going forward. Our colleague council is increasing its impact on the business in a positive way, with charity and social events held throughout the year.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The key business risks and uncertainties affecting the company relate to competition from low-cost manufacturing economies; foreign currency fluctuations; commodity prices and changes in the regulatory framework.

The company uses basic financial instruments, the directors review and agree policies for managing each of these risks and they are summarised below:

Liquidity risk

The company has sufficient liquidity to meet its trading and investment needs and has terminated its invoicing loan facility with Lloyds Bank, with no additional requirement to borrow. There is a long term liability to the parent and ultimate shareholder to pay the previous owners the deferred consideration that is due to them over the next three years.

Exchange rate risk

The company's activities expose it to trading in foreign currencies and while it seeks to balance sales and purchases, there is a small requirement for the business to sell euros and buy dollars on a regular basis.

Credit risk

The company holds cash and the trade receivables balance shown in the accounts is net of any doubtful debts. International balances are insured to remove the risk and there is no significant concentration of debt across the portfolio.

Price risk

The company's activities expose it to the fluctuations in the oil price through purchasing raw compound, ethylene oxide sterilisation and freight costs as well as utilities. As a company we have a long term utilities agreement which has meant the recent increases were managed within known parameters. Compound prices are monitored closely, to ensure they are in line with underlying trends.

Governance

There have been no changes to the directors of Ivor Shaw Limited in the financial year.

Ivor Shaw Limited

Strategic Report (continued)
For the Year Ended 31 March 2023

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

DocuSigned by:

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G Cameron
Director

Date: 27-Jul-23 | 2:47 PM BST

Ivor Shaw Limited

Directors' Report For the Year Ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of the company in the year under review was that of manufacture and distribution of medical products.

Directors

The directors who served during the year were:

K Somerfield
G Cameron

Results and dividends

The profit for the year, after taxation, amounted to £158,007 (2022 - £7,183,104).

During the year the company paid dividends of £500,000 (2022 - £932,085). The dividend allowed the Employee Owned Trust to meet its liability for deferred consideration to the previous owners and pay off acquisition debts.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Ivor Shaw Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Future developments

The company continues to explore and develop other markets to compensate for the increased risk in the Eurozone. Capital investment is being reviewed as the manufacturing plant is becoming more expensive to maintain and we need to reduce operating costs to maintain our market share. Despite these challenges, excellent opportunities remain for the development of both our core and new business and I am confident that we will improve our performance on the current year.

Charitable Contributions

During the year, the company donated medical consumables to charities working in Africa and Ukraine worth over £200k, we also made a small contribution of £847 to UK charities.

Engagement with employees

As an Employee Owned company, staff at all levels are kept fully informed of matters that affect the progress of the company and are of interest to them as employees. All staff are given full and fair consideration for all types of vacancy. All staff with more than 12 months service are a member of the Employee Owned Trust that ultimately owns the company and therefore benefit from tax free bonus payments when the company can afford to pay them.

We have agreed with all our employees three values that we live by every day, these are: Accountability, Honesty and Continuous Improvement.

Monthly talks and a quarterly newsletter are continuing and we held our first AGM in September 2022. The colleague council is increasing its impact on the business in a positive way, with charity and social events held throughout the year.

If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except where such opportunities are constrained by the practical limitations of their disability.

Disclosure of information to auditors

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

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

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

DocuSigned by:

Graeme Cameron

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G Cameron
Director

Date: 27-Jul-23 | 2:47 PM BST

Ivor Shaw Limited

Independent Auditors' Report to the Members of Ivor Shaw Limited

Opinion

We have audited the financial statements of Ivor Shaw Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Ivor Shaw Limited

Independent Auditors' Report to the Members of Ivor Shaw Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

Ivor Shaw Limited

Independent Auditors' Report to the Members of Ivor Shaw Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Ivor Shaw Limited

Independent Auditors' Report to the Members of Ivor Shaw Limited (continued)

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 Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Hawkins (Senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 27-7-23

Ivor Shaw Limited**Statement of Income and Retained Earnings
For the Year Ended 31 March 2023**

	Note	2023 £	2022 £
Turnover	4	20,267,151	36,527,601
Cost of sales		(15,110,816)	(21,274,416)
Gross profit		5,156,335	15,253,185
Distribution costs		(793,405)	(1,002,890)
Administrative expenses		(4,248,046)	(5,443,996)
Other operating income	5	-	23,227
Operating profit	6	114,884	8,829,526
Interest payable and expenses	10	(1,242)	(990)
Profit before tax		113,642	8,828,536
Tax on profit	11	44,365	(1,645,432)
Profit after tax		158,007	7,183,104
Retained earnings at the beginning of the year		5,296,717	(954,302)
		5,296,717	(954,302)
Profit for the year		158,007	7,183,104
Dividends declared and paid		(500,000)	(932,085)
Retained earnings at the end of the year		4,954,724	5,296,717

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

The notes on pages 13 to 29 form part of these financial statements.

Ivor Shaw Limited
Registered number:00755641

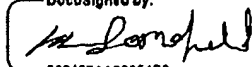
Balance Sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	819,972	686,413
Investments	15	5	5
		<u>819,977</u>	<u>686,418</u>
Current assets			
Stocks	16	2,739,079	3,338,270
Debtors: amounts falling due within one year	17	3,610,187	3,324,123
Cash at bank and in hand		2,504,735	5,033,169
		<u>8,854,001</u>	<u>11,695,562</u>
Creditors: amounts falling due within one year	18	(4,577,477)	(6,981,216)
Net current assets		<u>4,276,524</u>	<u>4,714,346</u>
Total assets less current liabilities		<u>5,096,501</u>	<u>5,400,764</u>
Creditors: amounts falling due after more than one year	19	(29,441)	(39,908)
Provisions for liabilities			
Deferred tax	21	(104,332)	(56,135)
		<u>(104,332)</u>	<u>(56,135)</u>
Net assets		<u>4,962,728</u>	<u>5,304,721</u>
Capital and reserves			
Called up share capital	22	8,004	8,004
Profit and loss account	23	4,954,724	5,296,717
		<u>4,962,728</u>	<u>5,304,721</u>

Ivor Shaw Limited
Registered number:00755641

Balance Sheet (continued)
As at 31 March 2023

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

DocuSigned by:

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K Somerfield
Director

Date: 27-Jul-23 | 2:47 PM BST

The notes on pages 13 to 29 form part of these financial statements.

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

1. General information

Ivor Shaw Limited is a private company limited by shares, incorporated in England and Wales.

The company's registered office can be found on the Company information page.

The principal activity of the company in the year under review was that of manufacture and distribution of medical products.

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 functional currency is GBP and the accounts have been rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of SP 225 Limited as at 31 March 2023 and these financial statements may be obtained from 300 London Road, City Gate, City Gate Business Park, Derby, Derbyshire, DE24 8WY.

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

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 into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Government grants

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.7 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.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

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.

2.11 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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% - 20% on cost
Motor vehicles	- 20% on cost
Fixtures and fittings	- 10% - 20% on cost
Computer equipment	- 33% on cost
Assets under construction	- No depreciation is provided

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.

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard cost basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

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

2.15 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.

2.16 Creditors

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

2.17 Financial instruments

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

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

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.17 Financial instruments (continued)

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of the company's assets and liabilities. These are based on historical experience and other factors that are considered relevant and are reviewed on a regular basis and recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical judgements and, where relevant, the key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives, taking in to account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual values consider such things as future market conditions, the remaining life of the asset and projected disposal values.

The recoverability of debtors is assessed on the likelihood and circumstances of the particular cost.

The value of stock is assessed for inclusion of costs of conversion and for impairment. In re-assessing the stock value, factors such as absorption of costs directly related to the units of production, slow movement and obsolescence are taken into account.

In making its judgement as to revenue recognition, management have considered the detailed criteria set out in FRS 102 section 23 "Revenue".

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****4. Turnover**

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

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	10,726,483	25,638,517
Rest of Europe	8,103,772	9,327,778
Rest of the world	1,436,896	1,561,306
	<u>20,267,151</u>	<u>36,527,601</u>

5. Other operating income

	2023 £	2022 £
Government grants	-	23,227
	<u>-</u>	<u>23,227</u>

The company furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £Nil (2022 - £23,227) relates to claims made in respect of the year.

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Exchange differences	(62,461)	49,340
Other operating lease rentals	517,860	514,994
Depreciation on owned assets	108,898	138,656
Depreciation on hire purchase assets	5,319	3,546
Defined contribution pension cost	149,886	138,711
Profit/Loss on disposal of assets	<u>14,484</u>	<u>108,561</u>

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****7. Auditors' remuneration**

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>23,750</u>	<u>22,000</u>

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	4,917,034	4,681,272
Social security costs	436,975	432,515
Cost of defined contribution scheme	149,886	143,069
	<u>5,503,895</u>	<u>5,256,856</u>

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

	2023 No.	2022 No.
Management and Administration	12	10
Production	141	144
Selling and Distribution	12	12
	<u>165</u>	<u>166</u>

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****9. Directors' remuneration & key management remuneration**

	2023 £	2022 £
Directors' emoluments	411,548	449,364
Company contributions to defined contribution pension schemes	22,207	14,061
	<u>433,755</u>	<u>463,425</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £283,201 (2022 - £219,222).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,210 (2022 - £8,000).

The total accrued pension provision of the highest paid director at 31 March 2023 amounted to £NIL (2022 - £NIL).

The total remuneration of the employees who are considered to be the key management personnel of the Company was £1,284,532 (2022 - £1,117,905).

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	119	95
Finance leases and hire purchase contracts	1,123	895
	<u>1,242</u>	<u>990</u>

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****11. Taxation**

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	(34,212)	1,611,343
Adjustments in respect of previous periods	(58,350)	-
	<u>(92,562)</u>	<u>1,611,343</u>
Total current tax	<u>(92,562)</u>	<u>1,611,343</u>
Deferred tax		
Origination and reversal of timing differences	48,197	34,089
Total deferred tax	<u>48,197</u>	<u>34,089</u>
Taxation on (loss)/profit on ordinary activities	<u>(44,365)</u>	<u>1,645,432</u>

Factors affecting tax charge for the year

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

	2023 £	2022 £
Profit on ordinary activities before tax	<u>113,642</u>	<u>8,828,536</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	21,592	1,677,422
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,790	(8,130)
Utilisation of tax losses	(34,212)	-
Adjustments to tax charge in respect of prior periods	(58,350)	(37,332)
Remeasurement of deferred tax	11,815	13,472
Total tax charge for the year	<u>(44,365)</u>	<u>1,645,432</u>

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****11. Taxation (continued)****Factors that may affect future tax charges****Change in corporation tax rate**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Dividends

	2023 £	2022 £
Dividends	500,000	932,085
	<u>500,000</u>	<u>932,085</u>

13. Intangible assets

	Goodwill £
Cost	
At 1 April 2022	93,300
At 31 March 2023	<u>93,300</u>
Amortisation	
At 1 April 2022	93,300
At 31 March 2023	<u>93,300</u>
Net book value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

Ivor Shaw Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

14. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2022	2,028,826	31,264	227,304	355,217	226,128	2,868,739
Additions	41,316	-	-	4,272	215,169	260,757
Disposals	(32,813)	-	(4,630)	-	(12,543)	(49,986)
Transfers between classes	115,477	-	-	5,611	(121,088)	-
At 31 March 2023	2,152,806	31,264	222,674	365,100	307,666	3,079,510
Depreciation						
At 1 April 2022	1,677,365	31,264	148,940	324,756	-	2,182,325
Charge for the year	84,559	-	10,695	18,963	-	114,217
Disposals	(32,374)	-	(4,630)	-	-	(37,004)
At 31 March 2023	1,729,550	31,264	155,005	343,719	-	2,259,538
Net book value						
At 31 March 2023	423,256	-	67,669	21,381	307,666	819,972
At 31 March 2022	351,461	-	78,364	30,461	226,128	686,414

Ivor Shaw Limited

Notes to the Financial Statements
For the Year Ended 31 March 2023

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Plant and machinery	44,327	49,646
	<u>44,327</u>	<u>49,646</u>

15. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2022	886,575	166,211	1,052,786
At 31 March 2023	<u>886,575</u>	<u>166,211</u>	<u>1,052,786</u>
Impairment			
At 1 April 2022	886,571	166,210	1,052,781
At 31 March 2023	<u>886,571</u>	<u>166,210</u>	<u>1,052,781</u>
Net book value			
At 31 March 2023	<u>4</u>	<u>1</u>	<u>5</u>
At 31 March 2022	<u>4</u>	<u>1</u>	<u>5</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Pennine Healthcare Limited	Ordinary	100%
Pennine Trustee Company Limited	Ordinary	100%

These companies did not trade during the year.

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****16. Stocks**

	2023 £	2022 £
Raw materials and consumables	598,037	1,003,154
Work in progress	472,498	411,332
Finished goods and goods for resale	1,668,544	1,923,784
	<u>2,739,079</u>	<u>3,338,270</u>

The carrying value of stocks are stated net of impairment losses totalling £648,769 (2022 - £621,413). Impairment losses totalling £435,294 (2022 - impairment losses of £51,762) were recognised in profit and loss.

17. Debtors

	2023 £	2022 £
Trade debtors	3,194,230	2,668,522
Other debtors	213,049	526,683
Prepayments and accrued income	148,462	93,475
Amounts recoverable on contracts	54,446	35,443
	<u>3,610,187</u>	<u>3,324,123</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,085,585	1,467,085
Corporation tax	-	907,487
Other taxation and social security	105,420	109,515
Obligations under finance lease and hire purchase contracts	9,344	9,331
Other creditors	1,548,012	1,303,007
Accruals and deferred income	1,829,116	3,184,791
	<u>4,577,477</u>	<u>6,981,216</u>

Obligations under finance lease and hire purchase contracts are secured by a fixed charge over the assets concerned.

There is a debenture in favour of Lloyds TSB over the property and fixed assets of the company.

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****19. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	29,441	39,908
	<u>29,441</u>	<u>39,908</u>

Obligations under finance lease and hire purchase contracts are secured by a fixed charge over the assets concerned.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	9,344	9,331
Between 1-5 years	29,441	39,908
	<u>38,785</u>	<u>49,239</u>

21. Deferred taxation

	2023 £	2022 £
At beginning of year	(56,135)	(22,046)
Charged to profit or loss	(48,197)	(34,089)
At end of year	<u>(104,332)</u>	<u>(56,135)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	110,000	61,546
Short term timing differences	(5,668)	(5,411)
	<u>104,332</u>	<u>56,135</u>

Ivor Shaw Limited**Notes to the Financial Statements
For the Year Ended 31 March 2023****22. Share capital**

	2023 £	2022 £
Allotted, called up and fully paid		
32,016 (2022 - 32,016) Ordinary shares of £0.25 each	8,004	8,004

Ordinary shares have full rights in the company in respect of voting, dividends and capital distributions.

23. Reserves**Profit and loss account**

The profit and loss account represents cumulative profit or losses, net of dividends paid or other adjustments.

24. Capital commitments

At 31 March 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	102,039	93,287
	<u>102,039</u>	<u>93,287</u>

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £149,886 (2022 - £143,609). Contributions totalling £25,415 (2022 - £24,165) were payable to the fund at the balance sheet date and are included in creditors.

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	508,636	517,860
Later than 1 year and not later than 5 years	1,503,661	1,822,755
Later than 5 years	1,670	144,679
	<u>2,013,967</u>	<u>2,485,294</u>

Ivor Shaw Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2023**

27. Related party transactions

The company is a wholly owned subsidiary of SP 225 Limited, and has taken advantage of the exemption available in FRS 102 (section 33) from disclosing related party transactions and balances with other wholly owned group entities.

No transactions arose during the year with related party transactions.

28. Controlling Party

At 31 March 2023, the immediate and ultimate parent undertaking is SP 225 Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the financial statements for SP 225 Limited can be obtained from its registered office, 300 London Road, City Gate, Derby, Derbyshire, DE24 8WY.

At 31 March 2023, the Directors considered the ultimate controlling party to be the Pennine Employee Ownership Trust.