

REGISTERED NUMBER: 07078299 (England and Wales)

SHD COMPOSITE MATERIALS LTD
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021



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FOR THE YEAR ENDED 30 NOVEMBER 2021**

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SHD COMPOSITE MATERIALS LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2021**

DIRECTORS:	Mrs H L Doughty S C Doughty Mrs J Jackson N J G Smith N A Blatherwick
REGISTERED OFFICE:	Unit 4 The Reservation Sleaford Enterprise Park Sleaford Lincolnshire NG34 7BY
REGISTERED NUMBER:	07078299 (England and Wales)
SENIOR STATUTORY AUDITOR:	Simon N Syddall BFP FCA
AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 18 Northgate Sleaford Lincolnshire NG34 7BJ

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their strategic report for the year ended 30 November 2021.

REVIEW OF BUSINESS

SHD Composite Materials Ltd was formed in 2010 and remains based in Sleaford, Lincolnshire, UK. The company supplies a fully comprehensive range of advanced composite tooling and component prepreg materials, catering for a vast array of applications. In-house formulated resin systems are combined with a range of fabric and uni-directional reinforcements, each best tailored to match customers' specific technical and commercial needs. The Sleaford manufacturing site services a broad customer base across the UK, EU, Asia Pacific and the Rest of World.

Company turnover fell from £11,705,056 in 2019 to £10,225,329 in 2020, growing to £15,348,253 in 2021.

Profit before tax was £605,401 in 2019, £1,271,133 in 2020 and £2,207,165 in 2021.

SHD CM supplies a large customer base across a broad range of industry sectors, including Aerospace, Production Automotive, Motorsport, Sports and Leisure, Marine and Industrial. The fact that the company's service model and technologies read well across many sectors, and as such is not overly exposed to any one single market nor single customer, adds significantly to its financial robustness and potential for growth.

The resilience and flexibility of SHD CM reflected in a very strong 2021 financial performance, even during the full effects of the Covid 19 pandemic. The level of profit has enabled and supported the considerable growth seen throughout the group, and ensured stability for our customers and suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

A small private company that has been and will continue to be managed prudently by a highly experienced senior team which is firmly embedded in the day to day running of the business.

The strategic decision to expand manufacturing from a UK base to new facilities in Slovenia and the USA, was made to both support the growth from SHD's expanding list of international customers, but also to build in resilience options against Brexit and other general economic cycle effects.

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

COMPANY DEVELOPMENT AND GROWTH

SHD CM is committed to the very highest levels of customer service, quality and leading-edge innovation and these principles remain central to the business's operations entering its 12th year of trading.

Embedded within these principles is a firm commitment to maintain the company's short production lead-times, to which its growing customer base has become accustomed and draws significant operational benefit.

The continued investment in the Technical Centre equipment and capacity has further strengthened our research and development programmes and enhanced our technical support capabilities.

The company has identified key strategic growth areas, driven by market demand for net zero emissions, sustainability and environment-friendly technologies and has developed a world-leading range of bio based composite materials, with on-going development in both resins and fibre technology.

The company's comprehensive product range, flexibility of service and instinct to work with and alongside customers, continues to underpin growth. Through continual product development, both internally driven and through collaboration with customers.

ON BEHALF OF THE BOARD:

.....
Mrs H L Doughty Director

Date: 13-05-2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 30 November 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of composite material manufacturing.

DIVIDENDS

The total distribution of dividends for the year ended 30 November 2021 will be £850,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2020 to the date of this report.

Mrs H L Doughty
S C Doughty
Mrs J Jackson
N J G Smith
N A Blatherwick

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 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.

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
Mrs H L Doughty - Director

Date: 13-05-2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHD COMPOSITE MATERIALS LTD

Opinion

We have audited the financial statements of SHD Composite Materials Ltd (the 'company') for the year ended 30 November 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHD COMPOSITE MATERIALS LTD**

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHD COMPOSITE MATERIALS LTD

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. This included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHD COMPOSITE MATERIALS LTD**

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 a Report of the Auditors 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 N Syddall BFP FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
18 Northgate
Sleaford
Lincolnshire
NG34 7BJ

Date: 16/5/20

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
REVENUE	3	15,348,253	10,255,329
Cost of sales		10,405,727	7,022,212
GROSS PROFIT		4,942,526	3,233,117
Administrative expenses		2,935,217	2,426,321
		2,007,309	806,796
Other operating income		151,425	434,722
OPERATING PROFIT	5	2,158,734	1,241,518
Interest receivable and similar income		64,080	45,804
		2,222,814	1,287,322
Interest payable and similar expenses	6	15,649	16,189
PROFIT BEFORE TAXATION		2,207,165	1,271,133
Tax on profit	7	300,116	111,024
PROFIT FOR THE FINANCIAL YEAR		1,907,049	1,160,109

The notes form part of these financial statements

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		1,907,049	1,160,109
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,907,049</u>	<u>1,160,109</u>

The notes form part of these financial statements

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Property, plant and equipment	9	856,336	832,776
Investments	10	6,522	6,522
		<u>862,858</u>	<u>839,298</u>
CURRENT ASSETS			
Inventories	11	2,455,504	1,677,462
Debtors	12	5,341,361	4,690,175
Cash at bank and in hand		171,969	91,572
		<u>7,968,834</u>	<u>6,459,209</u>
CREDITORS			
Amounts falling due within one year	13	4,119,356	3,481,128
NET CURRENT ASSETS		<u>3,849,478</u>	<u>2,978,081</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,712,336</u>	<u>3,817,379</u>
CREDITORS			
Amounts falling due after more than one year	14	(78,156)	(242,456)
PROVISIONS FOR LIABILITIES	19	(153,134)	(150,926)
NET ASSETS		<u>4,481,046</u>	<u>3,423,997</u>
CAPITAL AND RESERVES			
Called up share capital	20	198	198
Retained earnings	21	4,480,848	3,423,799
SHAREHOLDERS' FUNDS		<u>4,481,046</u>	<u>3,423,997</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13-05-2022 and were signed on its behalf by:


Mrs H L Doughty, Director

The notes form part of these financial statements

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2019	198	2,603,690	2,603,888
Changes in equity			
Dividends	-	(340,000)	(340,000)
Total comprehensive income	-	1,160,109	1,160,109
Balance at 30 November 2020	198	3,423,799	3,423,997
Changes in equity			
Dividends	-	(850,000)	(850,000)
Total comprehensive income	-	1,907,049	1,907,049
Balance at 30 November 2021	198	4,480,848	4,481,046

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

1. STATUTORY INFORMATION

SHD Composite Materials Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised upon despatch.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Tangible fixed assets are held at cost less depreciation.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are stated at the lower of cost and fair value less costs to complete and sell after making due allowance for slow moving and obsolete items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Revenue grants are recognised as income in the profit and loss account over the period necessary to match them with the related costs that they are intended to compensate the company for.

Capital grants are deferred in the period the asset is acquired. The deferred grants are then released against the useful economic lives of the assets. In this way the benefit of the grant is spread over the full expected useful life of the asset.

Critical accounting judgements and estimation uncertainty

Due to the relatively straightforward nature of the Company and its operations, there are not believed to be any significant estimates or accounting judgements applied in the preparation of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021**

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2021	2020
	£	£
United Kingdom	11,781,329	8,287,751
Europe	2,670,825	1,830,921
United States of America	222,127	136,657
Asia	415,908	-
Southern Hemisphere	172,855	-
Far East	85,209	-
	<u>15,348,253</u>	<u>10,255,329</u>

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,335,942	1,957,795
Social security costs	231,949	195,850
Other pension costs	97,629	91,961
	<u>2,665,520</u>	<u>2,245,606</u>

The average number of employees during the year was as follows:

	2021	2020
Production	23	26
Sales, research and administration	40	36
	<u>63</u>	<u>62</u>

	2021	2020
	£	£
Directors' remuneration	<u>355,479</u>	<u>284,091</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>130,962</u>	<u>102,460</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Hire of plant and machinery	81,878	72,078
Depreciation - owned assets	138,827	124,615
Depreciation - assets on hire purchase contracts	-	8,858
Loss on disposal of fixed assets	9,266	6,871
Auditors' remuneration	13,575	11,500
	<u>13,575</u>	<u>11,500</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	3,178	3,494
Bank loan interest	8,625	9,983
Hire purchase interest	3,846	2,712
	<u>15,649</u>	<u>16,189</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	397,908	234,616
Adjustment re previous years	(100,000)	(133,338)
Total current tax	<u>297,908</u>	<u>101,278</u>
Deferred tax	<u>2,208</u>	<u>9,746</u>
Tax on profit	<u>300,116</u>	<u>111,024</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>2,207,165</u>	<u>1,271,133</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	419,361	241,515
Effects of:		
Expenses not deductible for tax purposes	750	2,069
Capital allowances in excess of depreciation	(1,223)	(8,969)
Adjustments to tax charge in respect of previous periods	(100,000)	(133,338)
Deferred tax movement	2,208	9,747
Super deductions	(3,948)	-
Group relief	(17,032)	-
Total tax charge	<u>300,116</u>	<u>111,024</u>

8. DIVIDENDS

	2021 £	2020 £
A Ordinary shares of 1p each Interim	600,000	100,000
B Ordinary shares of £1 each Interim	<u>250,000</u>	<u>240,000</u>
	<u>850,000</u>	<u>340,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

9. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2020	91,669	1,414,553	43,529
Additions	21,553	111,479	15,163
Disposals	-	-	(642)
At 30 November 2021	113,222	1,526,032	58,050
DEPRECIATION			
At 1 December 2020	57,607	707,467	23,609
Charge for year	10,439	107,685	3,604
Eliminated on disposal	-	-	(474)
At 30 November 2021	68,046	815,152	26,739
NET BOOK VALUE			
At 30 November 2021	45,176	710,880	31,311
At 30 November 2020	34,062	707,086	19,920
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2020	6,735	179,844	1,736,330
Additions	-	23,459	171,654
Disposals	-	(48,335)	(48,977)
At 30 November 2021	6,735	154,968	1,859,007
DEPRECIATION			
At 1 December 2020	1,824	113,047	903,554
Charge for year	1,097	16,002	138,827
Eliminated on disposal	-	(39,236)	(39,710)
At 30 November 2021	2,921	89,813	1,002,671
NET BOOK VALUE			
At 30 November 2021	3,814	65,155	856,336
At 30 November 2020	4,911	66,797	832,776

The net book value of property, plant and equipment includes £147,703 (2020 - £147,703) in respect of assets held under hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 December 2020 and 30 November 2021	6,522
NET BOOK VALUE	
At 30 November 2021	6,522
At 30 November 2020	6,522

11. INVENTORIES

	2021 £	2020 £
Stocks	2,455,504	1,677,462

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,960,945	1,925,687
Amounts owed by group undertakings	2,283,679	2,646,839
Prepayments and accrued income	96,737	117,649
	5,341,361	4,690,175

£943,523 (2019 - £1,384,980) has been raised against trade debtors through RBS Invoice Financing.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans and overdrafts (see note 15)	666,232	1,013,001
Hire purchase contracts (see note 16)	28,750	27,597
Trade creditors	2,094,329	1,457,078
Amounts owed to group undertakings	243,995	147,208
Taxation	397,908	234,616
Other taxes and social security	112,565	74,595
VAT	265,990	235,324
Other creditors	38,109	35,129
Accrued expenses	119,683	77,875
Deferred government grants	151,795	178,705
	4,119,356	3,481,128

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 15)	-	135,550
Hire purchase contracts (see note 16)	78,156	106,906
	<u>78,156</u>	<u>242,456</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	666,232	969,494
Bank loans	-	43,507
	<u>666,232</u>	<u>1,013,001</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	-	45,960
	<u>-</u>	<u>45,960</u>

Amounts falling due between two and five years:

Bank loans - 2-5 years	-	89,590
	<u>-</u>	<u>89,590</u>

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Net obligations repayable:		
Within one year	28,750	27,597
Between one and five years	78,156	106,906
	<u>106,906</u>	<u>134,503</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

17. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdrafts	666,232	969,494
Bank loans	-	179,057
Hire purchase contracts	106,906	134,503
	<u>773,138</u>	<u>1,283,054</u>

The RBSIF and RBSIF Euro accounts are secured against the trade debtors.

Hire purchase liabilities are secured against the assets to which they relate.

18. FINANCIAL INSTRUMENTS

The Company has the following financial instruments:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	2,960,945	1,925,687
Amounts owed by group undertakings	2,283,679	2,646,839
Financial liabilities measured at amortised cost		
Invoice discounting facility	666,232	969,494
Trade creditors	2,094,329	1,457,078
Amounts owed to group undertakings	243,995	147,208
Taxation	397,908	234,616
Other taxes and social security	112,565	74,595
Other creditors	38,109	170,679

There is no interest income or expense for financial assets and liabilities that are not measured at fair value through profit and loss.

19. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>153,134</u>	<u>150,926</u>
		Deferred tax
		£
Balance at 1 December 2020		150,926
Provided during year		<u>2,208</u>
Balance at 30 November 2021		<u>153,134</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
9,800	A Ordinary	1p	100	100
100	B Ordinary	£1	98	98
			<u>198</u>	<u>198</u>

21. RESERVES

	Retained earnings £
At 1 December 2020	3,423,799
Profit for the year	1,907,049
Dividends	(850,000)
	<u>4,480,848</u>
At 30 November 2021	<u>4,480,848</u>

The company's reserves represents cumulative profit and losses net off of dividends and other adjustments. Within reserves there are non-distributable reserves of £62,475 (2020 - £62,475) in relation to share premium and £2 (2020 - £2) in relation to capital redemption reserves.

22. ULTIMATE PARENT COMPANY

SHD Holdings Limited is regarded by the directors as being the company's ultimate parent company.

The registered office of SHD Holdings Limited is Unit 4, The Reservation, Sleaford, NG34 7BY.

23. OTHER FINANCIAL COMMITMENTS

The company has the following commitments due as follows:

	2020 £	2020 £
Due in less than one year	138,990	137,532
Due between one and two years	125,311	155,757
Due between two and five years	105,808	59,578
	<u>370,109</u>	<u>352,867</u>

24. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2021 £	2020 £
Purchases	35,925	23,633
Amount due to related party	<u>243,995</u>	<u>147,208</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2021

24. RELATED PARTY DISCLOSURES - continued

Entities over which the entity has control, joint control or significant influence

	2021	2020
	£	£
Sales	1,190,128	997,832
Purchases	-	34,758
Amount due from related party	<u>1,099,558</u>	<u>1,311,883</u>

Other related parties

	2021	2020
	£	£
Sales	317,514	135,918
Amount due from related party	<u>1,195,355</u>	<u>1,334,955</u>

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Doughty family by virtue of their 75% shareholding in SHD Holdings Limited, the ultimate parent company.