

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 2020**

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FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**SHD COMPOSITE MATERIALS LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**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 2020**

The directors present their strategic report for the year ended 30 November 2020.

**REVIEW OF BUSINESS**

SHD Composite Materials Ltd ("SHD CM") 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 had grown from £9,749,766 in 2018 to £11,705,056 in 2019.

The impact of Covid-19 resulted in a decrease in turnover to £10,255,329 for 2020.

Profit before tax was £930,395 in 2018, £628,160 in 2019 and £1,271,133 in 2020.

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 2020 financial performance, even during the full effects of the Covid 19 pandemic.

**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.

**Covid-19**

SHD CM utilised the government furlough scheme during the first lockdown phase. This secured all jobs within the company with no redundancies made; we stopped using the furlough scheme at the end of October.

April VAT payment was deferred and has now been fully repaid.

No Covid support loans have been taken out or grants utilised.

Minimal marketing and travel costs as a direct result of Covid had an instant positive impact on profit.

**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 11th 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.

Through continual product development, both internally driven and through collaboration with customers, SHD CM's product portfolio now compares very favorably with most in the industry. Significantly however, 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.

The company's comprehensive product range, flexibility of service and instinct to work with and alongside customers, continues to underpin growth.

SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**GOING CONCERN**

The directors have considered the risks associated with the Covid-19 pandemic and have taken action where possible to limit the impact that it may have on the company's operations. The directors believe there is no uncertainty regarding the company's ability to remain a going concern.

**ON BEHALF OF THE BOARD:**

.....  
Mrs H L Doughty Director

Date: .....13/07/2021.....

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 30 November 2020.

**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 2020 will be £340,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2019 to the date of this report.

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

Other changes in directors holding office are as follows:

N A Blatherwick - appointed 1 May 2020

**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.

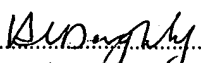
SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**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: .....18/07/2021.....

## **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 2020 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 2020 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**

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

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

### **Other information**

The 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and 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.

**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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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: 16/1/21

**SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	3	10,255,329	11,705,056
Cost of sales		7,022,212	8,294,557
<b>GROSS PROFIT</b>		3,233,117	3,410,499
Administrative expenses		2,426,321	2,890,722
		806,796	519,777
Other operating income		434,722	97,881
<b>OPERATING PROFIT</b>	5	1,241,518	617,658
Interest receivable and similar income		45,804	22,759
		1,287,322	640,417
Interest payable and similar expenses	6	16,189	12,257
<b>PROFIT BEFORE TAXATION</b>		1,271,133	628,160
Tax on profit	7	111,024	120,443
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,160,109	507,717

The notes form part of these financial statements

**SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Notes	2020 £	2019 £
<b>PROFIT FOR THE YEAR</b>		1,160,109	507,717
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,160,109</u>	<u>507,717</u>

The notes form part of these financial statements

**SHD COMPOSITE MATERIALS LTD (REGISTERED NUMBER: 07078299)**

**STATEMENT OF FINANCIAL POSITION  
30 NOVEMBER 2020**

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		832,776		794,027
Investments	10		6,522		6,522
			<u>839,298</u>		<u>800,549</u>
<b>CURRENT ASSETS</b>					
Stocks	11	1,677,462		1,608,795	
Debtors	12	4,690,175		4,059,083	
Cash at bank and in hand		91,572		176,871	
		<u>6,459,209</u>		<u>5,844,749</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	3,481,128		3,746,798	
<b>NET CURRENT ASSETS</b>			<u>2,978,081</u>		<u>2,097,951</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,817,379</u>		<u>2,898,500</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(242,456)		(153,432)
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(150,926)</u>		<u>(141,180)</u>
<b>NET ASSETS</b>			<u><u>3,423,997</u></u>		<u><u>2,603,888</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		198		198
Retained earnings	21		3,423,799		2,603,690
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,423,997</u></u>		<u><u>2,603,888</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 13/07/2021 and were signed on its behalf by:

  
Mrs H L Doughty - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2018</b>	198	2,485,973	2,486,171
<b>Changes in equity</b>			
Dividends	-	(390,000)	(390,000)
Total comprehensive income	-	507,717	507,717
<b>Balance at 30 November 2019</b>	<u>198</u>	<u>2,603,690</u>	<u>2,603,888</u>
<b>Changes in equity</b>			
Dividends	-	(340,000)	(340,000)
Total comprehensive income	-	1,160,109	1,160,109
<b>Balance at 30 November 2020</b>	<u>198</u>	<u>3,423,799</u>	<u>3,423,997</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**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 2020**

**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 2020**

**3. TURNOVER**

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

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	8,287,751	9,475,460
Europe	1,830,921	1,754,801
United States of America	136,657	474,795
	<u>10,255,329</u>	<u>11,705,056</u>

**4. EMPLOYEES AND DIRECTORS**

	2020 £	2019 £
Wages and salaries	1,957,795	2,076,633
Social security costs	195,850	212,815
Other pension costs	91,961	86,125
	<u>2,245,606</u>	<u>2,375,573</u>

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

	2020	2019
Production	26	29
Sales, research and administration	36	33
	<u>62</u>	<u>62</u>

	2020 £	2019 £
Directors' remuneration	<u>284,091</u>	<u>226,671</u>

Information regarding the highest paid director is as follows:

	2020 £	2019 £
Emoluments etc	<u>102,460</u>	<u>101,069</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	72,078	71,212
Depreciation - owned assets	124,615	134,756
Depreciation - assets on hire purchase contracts	8,858	1,352
Loss on disposal of fixed assets	6,871	19,003
Auditors' remuneration	11,500	12,000
	<u>223,922</u>	<u>238,323</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank interest	3,494	2,789
Bank loan interest	9,983	9,389
Hire purchase interest	2,712	79
	<u>16,189</u>	<u>12,257</u>

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

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	234,616	139,088
Adjustment re previous years	(133,338)	(18,993)
Total current tax	<u>101,278</u>	<u>120,095</u>
Deferred tax	9,746	348
Tax on profit	<u>111,024</u>	<u>120,443</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 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:

	2020 £	2019 £
Profit before tax	<u>1,271,133</u>	<u>628,160</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	241,515	119,350
Effects of:		
Expenses not deductible for tax purposes	2,069	3,517
Capital allowances in excess of depreciation	(8,969)	-
Depreciation in excess of capital allowances	-	16,221
Adjustments to tax charge in respect of previous periods	(133,338)	-
Deferred tax movement	9,747	348
Research and development tax reclaim	-	(18,993)
Total tax charge	<u>111,024</u>	<u>120,443</u>

## 8. DIVIDENDS

	2020 £	2019 £
A Ordinary shares of 1p each Interim	100,000	150,000
B Ordinary shares of £1 each Interim	<u>240,000</u>	<u>240,000</u>
	<u>340,000</u>	<u>390,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 December 2019	87,316	1,276,990	42,712
Additions	4,353	165,548	817
Disposals	-	(27,985)	-
At 30 November 2020	91,669	1,414,553	43,529
<b>DEPRECIATION</b>			
At 1 December 2019	48,839	621,185	20,475
Charge for year	8,768	103,548	3,134
Eliminated on disposal	-	(17,266)	-
At 30 November 2020	57,607	707,467	23,609
<b>NET BOOK VALUE</b>			
At 30 November 2020	34,062	707,086	19,920
At 30 November 2019	38,477	655,805	22,237
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 December 2019	10,235	170,148	1,587,401
Additions	-	15,978	186,696
Disposals	(3,500)	(6,282)	(37,767)
At 30 November 2020	6,735	179,844	1,736,330
<b>DEPRECIATION</b>			
At 1 December 2019	1,194	101,681	793,374
Charge for year	1,928	16,095	133,473
Eliminated on disposal	(1,298)	(4,729)	(23,293)
At 30 November 2020	1,824	113,047	903,554
<b>NET BOOK VALUE</b>			
At 30 November 2020	4,911	66,797	832,776
At 30 November 2019	9,041	68,467	794,027

The net book value of tangible fixed assets includes £147,703 (2019 - £8,301) in respect of assets held under hire purchase contracts.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 10. FIXED ASSET INVESTMENTS

Shares in  
group  
undertakings  
£**COST**At 1 December 2019  
and 30 November 2020

6,522

**NET BOOK VALUE**

At 30 November 2020

6,522

At 30 November 2019

6,522

## 11. STOCKS

	2020 £	2019 £
Stocks	1,677,462	1,608,795

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,925,687	2,107,767
Amounts owed by group undertakings	2,646,839	1,835,847
Prepayments and accrued income	117,649	115,469
	4,690,175	4,059,083

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

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts (see note 15)	1,013,001	1,482,511
Hire purchase contracts (see note 16)	27,597	-
Trade creditors	1,457,078	1,393,214
Amounts owed to group undertakings	147,208	169,217
Taxation	234,616	139,088
Other taxes and social security	74,595	64,828
VAT	235,324	190,301
Other creditors	35,129	37,028
Accrued expenses	77,875	60,279
Deferred government grants	178,705	210,332
	3,481,128	3,746,798

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

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

	2020 £	2019 £
Bank loans (see note 15)	135,550	153,432
Hire purchase contracts (see note 16)	106,906	-
	<u>242,456</u>	<u>153,432</u>

## 15. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Bank overdrafts	969,494	1,440,773
Bank loans	43,507	41,738
	<u>1,013,001</u>	<u>1,482,511</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>45,960</u>	<u>44,220</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>89,590</u>	<u>109,212</u>

## 16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Net obligations repayable:		
Within one year	27,597	-
Between one and five years	106,906	-
	<u>134,503</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 17. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdrafts	969,494	1,440,773
Bank loans	179,057	195,170
Hire purchase contracts	134,503	-
	<u>1,283,054</u>	<u>1,635,943</u>

The bank loan is secured against the assets to which it relates.

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:

	2020	2019
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	1,925,687	2,107,767
Amounts owed by group undertakings	2,646,839	1,835,847
<b>Financial liabilities measured at amortised cost</b>		
Invoice discounting facility	969,494	1,440,773
Trade creditors	1,457,078	1,393,214
Amounts owed to group undertakings	147,208	169,217
Taxation	234,616	139,088
Other taxes and social security	74,595	64,828
Other creditors	214,186	232,198

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

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>150,926</u>	<u>141,180</u>
		Deferred tax
		£
Balance at 1 December 2019		141,180
Provided during year		<u>9,746</u>
Balance at 30 November 2020		<u>150,926</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019
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 2019	2,603,690
Profit for the year	1,160,109
Dividends	(340,000)
At 30 November 2020	<u>3,423,799</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 (2019 - £62,475) in relation to share premium and £2 (2019 - £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 £	2019 £
Due in less than one year	137,532	122,312
Due between one and two years	155,757	91,524
Due between two and five years	59,578	108,000
	<u>352,867</u>	<u>321,836</u>

## 24. RELATED PARTY DISCLOSURES

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

	2020 £	2019 £
Purchases	23,633	-
Amount due to related party	<u>147,208</u>	<u>169,217</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

**24. RELATED PARTY DISCLOSURES - continued**

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

	2020	2019
	£	£
Sales	997,832	630,616
Purchases	34,758	353,644
Amount due from related party	1,311,883	793,765

**Other related parties**

	2020	2019
	£	£
Sales	135,918	323,338
Purchases	-	9,000
Amount due from related party	1,334,955	1,042,083

**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.