

Company Registration No. 11693809 (England and Wales)

**SHUTTERCRAFT HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2020**

TUESDAY



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# SHUTTERCRAFT HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Allen Mr M P Stradling Mrs A Vallis Mr J M H Moir
<b>Company number</b>	11693809
<b>Registered office</b>	Newdown Farm Micheldever Hampshire SO21 3BT
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

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# SHUTTERCRAFT HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2020

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The directors present the strategic report for the year ended 31 October 2020.

#### **Fair review of the business**

##### *Results and performance*

The Group incurred a loss on ordinary activities before tax for the year of £989,636 (period ending 31 October 2019: £1,265,281). Cash balances at the end of the year for the Group were £2,869,351 (2019: £1,711,055) and total equity was £2,287,612 (2019: £3,431,591).

The business has faced a turbulent year amidst the Covid-19 pandemic and is pleased to have seen a growth in turnover. Gross profit margin has increased by 2% due to currency fluctuations between the pound sterling and US dollar. Further investment in the business has seen an increase in underlying operating costs.

The entity was incorporated on 23 November 2018. The first financial statements of the company were from the period 23 November 2018 to 31 October 2019 a period of 11 months. This means that the comparative period is not entirely comparable.

##### *Business Environment*

The Group continues to perform well compared to its peers in the UK shutters and blinds wholesale market. Consumer interest in shutters continued to broaden during the period as the category becomes more widely adopted as a mainstream premium home improvement product, offering encouraging prospects for growth for the Group and its many trading partners.

The Directors of the Group regularly assess the impact of the Covid-19 outbreak on all aspects of the business. Through strong management of logistical operations, customer relations, working capital and cash forecasting the Group continues to trade well and believes it will continue to meet its financial liabilities.

#### **Principal risks and uncertainties**

The Group's operations expose it to a variety of risks. The Group has an approach to risk management, which through regular board review, seeks to limit adverse effects on the Group's financial performance by monitoring levels of debt finance and related finance costs. In the opinion of the directors, the principal risks and uncertainties facing the business are:

##### *Currency Risk*

Product purchases represented 70% (2019: 71%) of the overall costs of the Group during the year. These purchases were made in US dollars. The Group hedges its position to counter currency volatility and participated in a range of forward contracts.

##### *Purchase Price Risk*

Over the past few years there have been only small price fluctuations and there are no indications that this will change in the immediate future.

##### *Sole Supply Risk*

A very large proportion of the goods sold by the Group come from one supplier. This supplier is one of the world's largest and best manufacturers of the goods supplied, and it is in a very sound financial state. The relationship with this supplier has been built up over many years with close working relationships at all levels of the companies.

##### *Credit Risk*

Credit risk is the potential exposure of the Group to losses should the Group's customers or other debtors fail to pay amounts due. Debtor balances are reviewed by management on a weekly basis and proactively managed to drive down any over-due accounts.

# SHUTTERCRAFT HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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### *Market Risk*

The Board monitors market risk and competitive pressure, mitigating exposure by focusing on delivering added value services, maintaining the highest levels of on-time delivery and quick response times to differentiate the Group from its competitors and providing the most attractive, current and best-in-class range of products for its customer base.

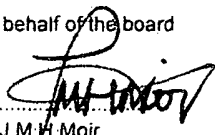
### *Liquidity risk*

The major risks to liquidity arise from business performance and timing of receipts and payments. To maintain liquidity and ensure sufficient funds are available for ongoing operations and future developments the Group uses a mixture of debt finance and working capital instruments, which are actively managed to ensure that sufficient headroom is maintained

### **Key performance indicators**

	<b>Year ended 2020</b>	<b>11 Month Period ended 2019</b>
Turnover	£23,162,437	£20,262,935
EBITDA	£2,167,506	£1,653,874
Employee retention rate	85%	84%

On behalf of the board

  
Mr J M H Moir  
Director

Date:

26<sup>th</sup> February 2021

# SHUTTERCRAFT HOLDINGS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

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The directors present their annual report and financial statements for the year ended 31 October 2020.

### Principal activities

The principal activity of the company was that of a holding company and the principal activity of the group was that of the distribution of shutters and blinds.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Allen  
Mr M P Stradling  
Mrs A Vallis  
Mr J M H Moir

### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

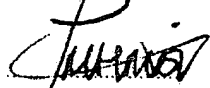
### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of business activities, risk and future developments.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr J M H Moir  
Director

Date: 26<sup>th</sup> February 2021

## **SHUTTERCRAFT HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2020**

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The directors are responsible for preparing the Strategic Report and 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 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHUTTERCRAFT HOLDINGS LIMITED**

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### **Opinion**

We have audited the financial statements of Shuttercraft Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 October 2020 and of the group's loss 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHUTTERCRAFT HOLDINGS LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### Use of our report

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

*RSM UK Audit Co*  
Paul Anthony (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TY

*1 March 2021*



# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2020

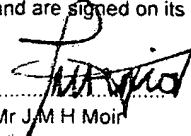
		Year ended 31 October 2020 £	Period ended 31 October 2019 £
	Notes		
Turnover	3	23,162,437	20,262,935
Cost of sales		(18,495,392)	(16,625,005)
<b>Gross profit</b>		<b>4,667,045</b>	<b>3,637,930</b>
Administrative expenses		(4,352,824)	(3,685,527)
Other operating income		36,736	103
<b>Operating profit/(loss)</b>	<b>7</b>	<b>350,957</b>	<b>(47,494)</b>
Interest receivable and similar income	9	-	1,176
Interest payable and similar expenses	10	(1,340,593)	(1,283,963)
Other gains and losses	11	-	65,000
<b>Loss before taxation</b>		<b>(989,636)</b>	<b>(1,265,281)</b>
Tax on loss	12	(154,343)	11,872
<b>Loss for the financial year</b>		<b>(1,143,979)</b>	<b>(1,253,409)</b>

Loss for the financial year is all attributable to the owners of the parent company.

**SHUTTERCRAFT HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Goodwill	13	14,031,249	15,767,073
Other intangible assets	13	283,210	-
Total intangible assets		14,314,459	15,767,073
Tangible assets	14	98,663	144,635
		14,413,122	15,911,708
<b>Current assets</b>			
Stocks	17	2,274,175	1,416,275
Debtors	18	3,061,052	2,521,874
Cash at bank and in hand		2,869,351	1,711,055
		8,204,578	5,649,204
<b>Creditors: amounts falling due within one year</b>	19	(4,811,760)	(2,989,377)
<b>Net current assets</b>		3,392,818	2,659,827
<b>Total assets less current liabilities</b>		17,805,940	18,571,535
<b>Creditors: amounts falling due after more than one year</b>	20	(15,518,328)	(15,139,944)
<b>Net assets</b>		2,287,612	3,431,591
<b>Capital and reserves</b>			
Called up share capital	25	1,342	1,342
Share premium account	26	4,683,658	4,683,658
Profit and loss reserves	26	(2,397,388)	(1,253,409)
<b>Total equity</b>		2,287,612	3,431,591

The financial statements were approved by the board of directors and authorised for issue on 26<sup>th</sup> February 2021 and are signed on its behalf by:

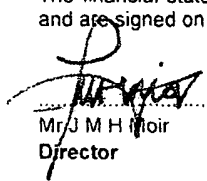
  
Mr J. M. H. Moir  
Director

**SHUTTERCRAFT HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Investments	15	23,665,811	23,665,811
<b>Current assets</b>			
Debtors	18	153,308	217,518
Creditors: amounts falling due within one year	19	(6,082,183)	(5,120,386)
<b>Net current liabilities</b>		<u>(5,928,875)</u>	<u>(4,902,868)</u>
<b>Total assets less current liabilities</b>		17,736,936	18,762,943
Creditors: amounts falling due after more than one year	20	(15,518,328)	(15,139,944)
<b>Net assets</b>		<u>2,218,608</u>	<u>3,622,999</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,342	1,342
Share premium account	26	4,683,658	4,683,658
Profit and loss reserves	26	(2,466,392)	(1,062,001)
<b>Total equity</b>		<u>2,218,608</u>	<u>3,622,999</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £1,404,391 (2019 - £1,062,001 loss).

The financial statements were approved by the board of directors and authorised for issue on 26<sup>th</sup> February 2021 and are signed on its behalf by:

  
Mr J M H Hoir  
Director

# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 23 November 2018</b>		-	-	-	-
<b>Period ended 31 October 2019:</b>					
Loss and total comprehensive income for the period		-	-	(1,253,409)	(1,253,409)
issue of share capital	25	1,342	4,683,658	-	4,685,000
<b>Balance at 31 October 2019</b>		1,342	4,683,658	(1,253,409)	3,431,591
<b>Period ended 31 October 2020:</b>					
Loss and total comprehensive income for the period		-	-	(1,143,979)	(1,143,979)
<b>Balance at 31 October 2020</b>		1,342	4,683,658	(2,397,388)	2,287,612

# SHUTTERCRAFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 23 November 2018</b>		-	-	-	-
<b>Period ended 31 October 2019:</b>					
Loss and total comprehensive income for the period		-	-	(1,062,001)	(1,062,001)
Issue of share capital	25	1,342	4,683,658	-	4,685,000
<b>Balance at 31 October 2019</b>		1,342	4,683,658	(1,062,001)	3,622,999
<b>Period ended 31 October 2020:</b>					
Loss and total comprehensive income for the period		-	-	(1,404,391)	(1,404,391)
<b>Balance at 31 October 2020</b>		1,342	4,683,658	(2,466,392)	2,218,608

# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,336,218		3,032,215	
Interest paid		(962,210)		(774,462)	
Income taxes refunded/(paid)		100,001		(281,723)	
<b>Net cash inflow from operating activities</b>		<u>1,474,009</u>		<u>1,976,030</u>	
<b>Investing activities</b>					
Purchase of business		-	(19,674,770)	-	
Purchase of intangible assets		(283,210)		-	
Purchase of tangible fixed assets		(34,753)	(57,408)		
Proceeds on disposal of tangible fixed assets		2,250	4,583		
Proceeds on disposal of fixed asset investments		-	65,001		
Interest received		-	1,176		
<b>Net cash used in investing activities</b>		<u>(315,713)</u>	<u>(19,661,418)</u>		
<b>Financing activities</b>					
Proceeds from issue of shares		-	4,685,000		
Proceeds from borrowings		-	14,711,443		
<b>Net cash (used in)/generated from financing activities</b>		<u>-</u>	<u>19,396,443</u>		
<b>Net increase in cash and cash equivalents</b>		<u>1,158,296</u>		<u>1,711,055</u>	
Cash and cash equivalents at beginning of year		<u>1,711,055</u>		<u>-</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>2,869,351</u></u>		<u><u>1,711,055</u></u>	

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies

#### Company information

Shuttercraft Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Newdown Farm, Micheldever, Hampshire, SO21 3BT.

The group consists of Shuttercraft Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Shuttercraft Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### Going concern

For the year ended 31 October 2020 the group made a loss after tax of £1,143,979 (2019: £1,253,409). At the time of approving the financial statements and in consideration of the recent events surrounding COVID-19, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future due to the cash position and availability of funding of the business and also due to the current level of trade and future orders from the order book. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Reporting period

The entity was incorporated on 23 November 2018. The first financial statements of the company were from the period 23 November 2018 to 31 October 2019 a period of 11 months. This means that the comparative period is not entirely comparable.

#### Turnover

Turnover represents the invoiced value, net of VAT, of goods sold and services provided to customers.

Turnover is recognised either on the delivery of products to customers or on installation of the goods if such a service is provided.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.



# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 1 Accounting policies (Continued)

##### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% - 33% straight line
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##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% straight line
Plant and equipment	25% - 50% straight line
Fixtures and fittings	25% or 33% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

The majority of stock held at the year end is goods in transit on the water, and is held at invoiced value.

Stock held in the warehouse is held at weighted average cost.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies (Continued)

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### **Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

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### 1 Accounting policies (Continued)

#### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### Government grants

The company received a discretionary cash grant of £36,736 from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant and the company has received no other forms of government assistance.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

## SHUTTERCRAFT HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There are no accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the company financial statements.

#### 3 Turnover and other revenue

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Goods	23,162,437	20,262,935
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Other revenue</b>		
Interest income	-	1,176
Grants received	36,736	-
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	23,162,437	20,262,935
	<u>          </u>	<u>          </u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Direct	10	12	-	-
Marketing / Sales	13	12	-	-
Office admin	10	10	-	-
Directors	4	4	-	-
	<u>37</u>	<u>38</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,464,191	1,205,910	-	-
Social security costs	153,340	123,422	-	-
Pension costs	109,487	94,218	-	-
	<u>1,727,018</u>	<u>1,423,550</u>	<u>-</u>	<u>-</u>

### 5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	336,417	332,434
Company pension contributions to defined contribution schemes	22,034	19,796
	<u>358,451</u>	<u>352,230</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	117,062	123,763
Company pension contributions to defined contribution schemes	8,158	6,163
	<u>125,220</u>	<u>129,926</u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 6 Share-based payment transactions

During the year, 2,946 share options were granted between thirty employees and 2,684 options remain outstanding as at the year end. The options are granted in respect of the shares of the company and are exercisable at a price equal to the average market price of the company's shares on the date of grant.

The employees are only entitled to exercise the share options on an exit event. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the group before the share options become exercisable.

Group	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 November 2019	-	550	-	26.91
Granted	2,946	-	1.45	-
Forfeited	(298)	-	1.45	-
Exercised	-	(550)	-	26.91
Outstanding at 31 October 2020	<u>2,648</u>	<u>-</u>	<u>1.45</u>	<u>-</u>
Exercisable at 31 October 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 October 2020 had an exercise price of £1.45 each and an expiry date of 18 November 2029. The share options will only be exercised upon an exit event and as this is not currently probable no charge has been recognised.

### 7 Operating profit/(loss)

	2020 £	2019 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange losses/(gains)	44,781	(138,867)
Government grants	(36,736)	-
Depreciation of owned tangible fixed assets	80,725	110,195
Profit on disposal of tangible fixed assets	(2,250)	(4,101)
Amortisation of intangible assets	1,735,824	1,591,173
Operating lease charges	<u>112,002</u>	<u>79,035</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £44,781 (2019 - a gain of £138,867).

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

<b>8 Auditor's remuneration</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	6,300	6,000
Audit of the financial statements of the company's subsidiaries	17,800	16,500
	<u>24,100</u>	<u>22,500</u>
<b>For other services</b>		
Taxation compliance services	3,350	2,750
All other non-audit services	10,815	10,300
	<u>14,165</u>	<u>13,050</u>
<b>9 Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	-	1,176
	<u>-</u>	<u>1,176</u>
<b>10 Interest payable and similar expenses</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest on convertible loan notes	378,383	428,501
Other interest on financial liabilities	961,798	851,018
Other interest	412	4,444
	<u>1,340,593</u>	<u>1,283,963</u>
<b>11 Other gains and losses</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gain on disposal of fixed asset investments	-	65,000
	<u>-</u>	<u>65,000</u>



# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 12 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	70,760	(75,383)
Adjustments in respect of prior periods	34,649	(29,334)
<b>Total current tax</b>	<b>105,409</b>	<b>(104,717)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(95,739)	237,518
Previously unrecognised tax loss, tax credit or timing difference	144,673	-
Tax losses carried forward	-	(144,673)
<b>Total deferred tax</b>	<b>48,934</b>	<b>92,845</b>
<b>Total tax charge/(credit)</b>	<b>154,343</b>	<b>(11,872)</b>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(989,636)	(1,265,281)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(188,031)	(240,403)
Tax effect of expenses that are not deductible in determining taxable profit	3,131	11,208
Tax effect of income not taxable in determining taxable profit	-	(12,350)
Gains not taxable	-	6,291
Tax effect of utilisation of tax losses not previously recognised	-	29,518
Adjustments in respect of prior years	34,649	(29,334)
Effect of change in corporation tax rate	(25,950)	(10,923)
Other permanent differences	-	233,658
Fixed asset differences	737	463
Timing differences not recognised	329,807	-
<b>Taxation charge/(credit)</b>	<b>154,343</b>	<b>(11,872)</b>

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. These rates have been used to measure deferred tax assets and liabilities where applicable. On 17th March 2020 the Chancellor announced that tax rate would remain at 19%, therefore this rate has been substantively enacted at the reporting date and has been used in the measurement of deferred tax.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 13 Intangible fixed assets

Group	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 November 2019	17,358,246	-	17,358,246
Additions - separately acquired	-	283,210	283,210
At 31 October 2020	17,358,246	283,210	17,641,456
<b>Amortisation and impairment</b>			
At 1 November 2019	1,591,173	-	1,591,173
Amortisation charged for the year	1,735,824	-	1,735,824
At 31 October 2020	3,326,997	-	3,326,997
<b>Carrying amount</b>			
At 31 October 2020	14,031,249	283,210	14,314,459
At 31 October 2019	15,767,073	-	15,767,073

The company had no intangible fixed assets at 31 October 2020 or 31 October 2019.

The software costs have not been amortised as the asset was not in use at the year end.

### 14 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 November 2019	25,305	40,827	22,648	146,608	235,388
Additions	11,465	4,441	1,847	17,000	34,753
At 31 October 2020	36,770	45,268	24,495	163,608	270,141
<b>Depreciation and impairment</b>					
At 1 November 2019	9,480	24,018	6,390	50,865	90,753
Depreciation charged in the year	10,972	8,070	6,097	55,586	80,725
At 31 October 2020	20,452	32,088	12,487	106,451	171,478
<b>Carrying amount</b>					
At 31 October 2020	16,318	13,180	12,008	57,157	98,663
At 31 October 2019	15,825	16,809	16,258	95,743	144,635

The company had no tangible fixed assets at 31 October 2020 or 31 October 2019.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 15 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	16	-	-	23,665,811	23,665,811
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>					
At 1 November 2019 and 31 October 2020					23,665,811
<b>Carrying amount</b>					
At 31 October 2020					23,665,811
At 31 October 2019					23,665,811

### 16 Subsidiaries

Details of the company's subsidiaries at 31 October 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Shuttercraft Limited	a)	Distribution of shutters and blinds	Ordinary	100.00	-

a) Newdown Farm, Micheldever, Hampshire, SO21 3BT.

### 17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	2,274,175	1,416,275	-	-

Included in the above is a provision against the value of stock held at 31 October 2020 of £35,000 (2019: £12,000).

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2020

#### 18 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,627,261	1,990,565	-	-
Corporation tax recoverable	-	164,350	-	-
Other debtors	10,826	23,023	-	-
Prepayments and accrued income	251,328	123,365	-	-
	<u>2,889,415</u>	<u>2,301,303</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 23)	171,637	220,571	153,308	217,518
	<u>3,061,052</u>	<u>2,521,874</u>	<u>153,308</u>	<u>217,518</u>

During the period an impairment loss of £52,028 (2019: £13,490) was recognised in respect of trade debtors.

#### 19 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	2,286,515	1,459,986	-	-
Amounts owed to group undertakings	-	-	6,001,183	5,039,386
Corporation tax payable	41,060	-	-	-
Other taxation and social security	282,226	176,182	-	-
Derivative financial instruments	106,360	379,320	-	-
Other creditors	1,747,132	719,174	81,000	81,000
Accruals and deferred income	348,467	254,715	-	-
	<u>4,811,760</u>	<u>2,989,377</u>	<u>6,082,183</u>	<u>5,120,386</u>

#### 20 Creditors: amounts falling due after more than one year

		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Other borrowings	21	<u>15,518,328</u>	<u>15,139,944</u>	<u>15,518,328</u>	<u>15,139,944</u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 21 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other loans	15,518,328	15,139,944	15,518,328	15,139,944
Payable after one year	15,518,328	15,139,944	15,518,328	15,139,944

Other loans represent A and B loan notes of £6,518,328 (2019: £6,139,944) and Uni-tranche debt of £9,000,000 (2019: £9,000,000).

The A and B loan notes incur interest at 8.5% per annum which is accrued annually and certain conditions have to be met for interest to be paid. There was a reduced rate of 6% from 1st February 2020 to 31 July 2021. The loan notes are repayable in December 2024 and secured by a fixed and floating charge over all of the assets of the group.

The Uni-tranche debt incurs interest at 10% plus LIBOR per annum which is accrued and paid quarterly.

### 22 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	106,360	379,320	-	-

### 23 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Assets 2020 £	Assets 2019 £
<b>Group</b>		
Accelerated capital allowances	8,429	1,502
Tax losses	-	144,673
Short term timing differences	163,208	74,396
	171,637	220,571

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

### 23 Deferred taxation (Continued)

	Assets 2020 £	Assets 2019 £
<b>Company</b>		
Tax losses	-	144,673
Short term timing differences	153,308	72,845
	<u>153,308</u>	<u>217,518</u>
	<b>Group 2020 £</b>	<b>Company 2020 £</b>
<b>Movements in the year:</b>		
Liability/(asset) at 1 November 2019	(220,571)	(217,518)
Charge to profit or loss	48,934	64,210
	<u>(171,637)</u>	<u>(153,308)</u>

The deferred tax asset set out above is expected to reverse within the foreseeable future and relates to the utilisation of tax losses against future expected profits of the same period.

The deferred tax liability set out above is expected to reverse within the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

### 24 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	109,487	94,218

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the group had defined contribution pensions outstanding of £9,904 (2019: £nil).

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 25 Share capital

	Group and company	
	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
450 A1 Ordinary shares of £1 each	450	450
200 B1 Ordinary shares of £1 each	200	200
250 C1 Ordinary shares of £1 each	250	250
7,000 D1 Ordinary shares of 1p each	70	70
	<u>970</u>	<u>970</u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
2,864,284 A2 Preferred Ordinary shares of 0.01p each	286	286
860,716 C2 Preferred Ordinary shares of 0.01p each	86	86
	<u>372</u>	<u>372</u>

#### *Ordinary shares*

The rights attached to the shares are (a) the right to vote, as prescribed by the articles of association of the Company, (b) the right to participate in dividends, as prescribed by the articles, (c) the right to participate in the distribution of capital on winding up as prescribed by the articles, (d) no right of redemption.

#### *Preference shares*

The rights attached to the shares are (a) no right to vote, (b) no right to participate in dividends, (c) the right to participate in the distribution of capital on winding up as prescribed by the articles, (d) right of redemption.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

### 26 Reserves

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 27 Cash generated from group operations

	2020 £	2019 £
Loss for the year after tax	(1,143,979)	(1,253,409)
Adjustments for:		
Taxation charged/(credited)	154,343	(11,872)
Finance costs	1,340,593	1,283,963
Investment income	-	(1,176)
Gain on disposal of tangible fixed assets	(2,250)	(4,101)
Fair value gains and losses on derivatives	(272,960)	437,845
Amortisation and impairment of intangible assets	1,735,824	1,591,173
Depreciation and impairment of tangible fixed assets	80,725	110,195
Gain on sale of investments	-	(65,000)
Movements in working capital:		
(Increase) in stocks	(857,900)	(102,309)
(Increase)/decrease in debtors	(752,462)	390,456
Increase in creditors	2,054,284	656,450
<b>Cash generated from operations</b>	<b>2,336,218</b>	<b>3,032,215</b>

### 28 Analysis of changes in net debt - group

	1 November 2019 £	Cash flows £	Other non- cash changes £	31 October 2020 £
Cash at bank and in hand	1,711,055	1,158,296	-	2,869,351
Borrowings excluding overdrafts	(15,139,944)	-	(378,384)	(15,518,328)
	<u>(13,428,889)</u>	<u>1,158,296</u>	<u>(378,384)</u>	<u>(12,648,977)</u>

Other non-cash movements relates to accrued interest on loan notes not paid during the year.



## SHUTTERCRAFT HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

#### 29 Financial commitments, guarantees and contingent liabilities

Glas Trust Corporation Limited, Mark Stradling, and Robert Charles Gordon James all hold charges over the assets of Shuttercraft Limited as security over the Facility Agreement entered into by Shuttercraft Holdings Limited. The directors have not recognised any amount in respect of this security in the these financial statements as there are no indications that Shuttercraft Holdings Limited will fail to meet its obligations under the Facility Agreement.

#### 30 Operating lease commitments

##### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	696	3,646	-	-
Between one and five years	-	696	-	-
	<u>696</u>	<u>4,342</u>	<u>-</u>	<u>-</u>

#### 31 Events after the reporting date

There are current uncertainties in the economy related to the COVID-19 outbreak that emerged since early 2020, which has led to increased marked volatility. The period over which such volatility will persist, as well as any longer-term adverse effect on world economies and markets, is difficult to predict as the situation is still evolving. An assessment of going concern by the directors of the group has been included within the going concern accounting policy.

#### 32 Controlling party

As at 31 October 2020 the directors did not consider there to be an ultimate controlling party.