

Company Registration No. 11693809 (England and Wales)

**SHUTTERCRAFT HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2022**



# SHUTTERCRAFT HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Allen 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 2022

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The directors present the strategic report for the year ended 31 October 2022.

#### Fair review of the business

##### *Results and performance*

The group incurred a loss on ordinary activities before tax for the year of £2,458,335 (2021: £34,646). Cash balances at the end of the year for the group were £2,592,349 (2021: £4,190,001) and total equity was £(402,130) (2021: £2,119,697).

The business responded well to a market environment, which continued to resonate with the after-effects of the Covid-19 pandemic, although profit in the period was adversely impacted. Shipping costs reduced during the period, but the cost of transporting a 40' container from SE Asia to the UK remained above the level of historic norms, to which this cost has returned after the period end. The consequences of sterling weakness also contributed to a reduction in gross profit of 3%. Exceptional costs of £289,004 (2021: £nil) were incurred in responding to an unsolicited approach from and negotiations with a potential new owner of the company, which have now ended.

##### *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 product category continues to be more widely adopted as a mainstream premium home improvement product, offering encouraging prospects for growth for the Company 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.

#### Key performance indicators

	2022	2021
Turnover	£32,178,176	£36,802,446
EBITDA	£1,301,034	£3,151,029
Employee retention rate	87%	87%

The EBITDA has been calculated before charging for exceptional costs included in administrative expenses of £289,004 (2021: £nil).

#### 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 63% (2021: 69%) 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.

# SHUTTERCRAFT HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2022

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### *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.

### *Market Risk*

The Board monitors market risk and competitive pressure, mitigating exposure by focusing on delivering added value services. The group continues to deliver the highest levels of on-time delivery and quick response times, to differentiate itself from its competitors and provides 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.

### **Future developments**

The directors anticipate that the business environment will remain competitive and that higher interest rates will have an impact on underlying market growth. Consequently the Company continues to refine its growth strategy to build on its good financial position, maximise opportunities to build on its strong market position, strengthen its team and extend its product range where profitable opportunities can be created.

On behalf of the board



Mrs A Vallis

Director

Date: 30/07/23

# SHUTTERCRAFT HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2022

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The directors present their annual report and financial statements for the year ended 31 October 2022.

#### 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.

#### Results and dividends

The results for the year are set out on page 8.

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

#### 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

(Resigned 30 March 2023)

Mrs A Vallis

Mr J M H Moir

#### 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 financial risk management 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



Mrs A Vallis

Director

Date: 30/07/23

# **SHUTTERCRAFT HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 OCTOBER 2022**

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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 2022 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 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 of the parent company's affairs as at 31 October 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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**

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

## **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 or the directors' report.

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

- adequate accounting records have not been kept 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.



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

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether they are in compliance with these laws and regulations and inspected correspondence.

The group audit engagement team identified the risk of management override of controls and the risk of revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant or unusual transactions and transactions entered into outside the normal course of business. Furthermore, a sample of revenue transactions recorded either side of the year end were tested to confirm they had been recognised in the appropriate period.

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

### Use of our report

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



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

30/07/23.....

# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	2021 £
Turnover	3	32,178,176	36,802,446
Cost of sales		(28,027,748)	(31,002,602)
<b>Gross profit</b>		<b>4,150,428</b>	<b>5,799,844</b>
Administrative expenses		(5,132,281)	(4,522,618)
Other operating income		2,000	10,914
<b>Operating (loss)/profit</b>	<b>8</b>	<b>(979,853)</b>	<b>1,288,140</b>
Interest receivable and similar income	10	93	2,642
Interest payable and similar expenses	11	(1,478,576)	(1,325,428)
<b>Loss before taxation</b>		<b>(2,458,336)</b>	<b>(34,646)</b>
Tax on loss	12	(89,337)	† (182,984)
<b>Loss for the financial year</b>		<b>(2,547,673)</b>	<b>(217,630)</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 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	13	10,559,599		12,295,424	
Other intangible assets	13	797,856		715,870	
Total intangible assets		11,357,455		13,011,294	
Tangible assets	14	119,320		111,081	
		11,476,775		13,122,375	
<b>Current assets</b>					
Stocks	17	3,083,633		3,434,577	
Debtors	18	3,663,707		3,831,086	
Cash at bank and in hand		2,592,349		4,190,001	
		9,339,689		11,455,664	
<b>Creditors: amounts falling due within one year</b>	19	(5,554,412)		(7,244,435)	
<b>Net current assets</b>		3,785,277		4,211,229	
<b>Total assets less current liabilities</b>		15,262,052		17,333,604	
<b>Creditors: amounts falling due after more than one year</b>	20	(15,575,592)		(15,090,120)	
<b>Provisions for liabilities</b>	23	(88,590)		(123,787)	
<b>Net (liabilities)/assets</b>		(402,130)		2,119,697	
<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	(5,087,130)		(2,565,303)	
<b>Total equity</b>		(402,130)		2,119,697	

The financial statements were approved by the board of directors and authorised for issue on 30/07/23 and are signed on its behalf by:

  
 .....  
 Mrs A Vallis  
 Director

**SHUTTERCRAFT HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 OCTOBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	15	23,665,811		23,665,811	
<b>Current assets</b>					
Debtors	18	-		37,224	
<b>Creditors: amounts falling due within one year</b>	19	(8,827,854)		(7,835,079)	
<b>Net current liabilities</b>		(8,827,854)		(7,797,855)	
<b>Total assets less current liabilities</b>		14,837,957		15,867,956	
<b>Creditors: amounts falling due after more than one year</b>	20	(15,575,592)		(15,090,120)	
<b>Net (liabilities)/assets</b>		(737,635)		777,836	
<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	(5,422,635)		(3,907,164)	
<b>Total equity</b>		(737,635)		777,836	

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 £1,515,471 (2021: £1,440,772).

The financial statements were approved by the board of directors and authorised for issue on 30/07/23 and are signed on its behalf by:



Mrs A Vallis  
Director

# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2020</b>		1,342	4,683,658	(2,397,388)	2,287,612
<b>Year ended 31 October 2021:</b>					
Loss and total comprehensive income for the year		-	-	(217,630)	(217,630)
Credit to equity for equity settled share-based payments	7	-	-	49,715	49,715
<b>Balance at 31 October 2021</b>		1,342	4,683,658	(2,565,303)	2,119,697
<b>Year ended 31 October 2022:</b>					
Loss and total comprehensive income for the year		-	-	(2,547,673)	(2,547,673)
Credit to equity for equity settled share-based payments	7	-	-	25,846	25,846
<b>Balance at 31 October 2022</b>		1,342	4,683,658	(5,087,130)	(402,130)

# SHUTTERCRAFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2022

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 November 2020</b>	1,342	4,683,658	(2,466,392)	2,218,608
<b>Year ended 31 October 2021:</b>				
Loss and total comprehensive income for the year	-	-	(1,440,772)	(1,440,772)
<b>Balance at 31 October 2021</b>	1,342	4,683,658	(3,907,164)	777,836
<b>Year ended 31 October 2022:</b>				
Loss and total comprehensive income for the year	-	-	(1,515,471)	(1,515,471)
<b>Balance at 31 October 2022</b>	1,342	4,683,658	(5,422,635)	(737,635)

# SHUTTERCRAFT HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	27		(241,908)		3,613,586
Interest paid			(980,467)		(1,753,636)
Income taxes (paid)/refunded			(31,587)		29,700
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(1,253,962)</b>		<b>1,889,650</b>
<b>Investing activities</b>					
Purchase of intangible assets		(268,319)		(476,381)	
Purchase of tangible fixed assets		(77,964)		(95,761)	
Proceeds on disposal of tangible fixed assets		2,500		500	
Interest received		93		2,642	
<b>Net cash used in investing activities</b>			<b>(343,690)</b>		<b>(569,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(1,597,652)</b>		<b>1,320,650</b>
Cash and cash equivalents at beginning of year			4,190,001		2,869,351
<b>Cash and cash equivalents at end of year</b>			<b>2,592,349</b>		<b>4,190,001</b>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2022

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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 £1.

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 2022. 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 2022

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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 2022 the group made a loss after tax of £2,331,383 (2021: £217,630). At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future due to the cash position and availability of funding of the business. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 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.

Turnover from the sale of services is recognised at the fair value of the consideration received or receivable for the provision of services in the ordinary nature of the business, and is recognised at the point of delivery of the service.

#### 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 2022

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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 cost and replacement 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 2022

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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, amounts owed to group undertakings, and other loans, 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 2022

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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.

#### **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 2022

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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.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The company received a discretionary cash grant of £nil (2021: £10,787) 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.

The company received £2,000 (2021: £nil) from the government as part of an employer agreement with the Department for Education. The agreement compensates employers for payments to training providers to carry out apprenticeship training. The payments are conditional on a number of requirements disclosed in section 5 of the government website: <https://www.gov.uk/government/publications/agreement-between-an-employer-and-the-education-and-skills-funding-agency-esfa/department-for-education-apprenticeships-employer-agreement-for-use-of-the-apprenticeship-service-to-access-funded-apprenticeship-training-26-oct>. There are no unfulfilled conditions or contingencies attached to the grant.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 1 Accounting policies (Continued)

#### 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.

### 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

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Goods	31,466,366	35,966,903
Services	711,810	835,543
	<u>32,178,176</u>	<u>36,802,446</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	93	2,642
Grants received	2,000	10,787
	<u>2,093</u>	<u>13,429</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>32,178,176</u>	<u>36,802,446</u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 4 Exceptional item

	2022	2021
	£	£
<b>Expenditure</b>		
Exceptional costs	289,004	-

Exceptional costs were incurred in responding to an unsolicited approach from and negotiations with a potential new owner of the company, which have now ended.

### 5 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Direct	16	13	-	-
Marketing / Sales	17	17	-	-
Office admin	11	11	-	-
Directors	4	4	-	-
	<u>48</u>	<u>45</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,731,554	1,720,046	-	-
Social security costs	191,313	191,616	-	-
Pension costs	135,091	125,195	-	-
	<u>2,057,958</u>	<u>2,036,857</u>	<u>-</u>	<u>-</u>

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	405,313	348,069
Company pension contributions to defined contribution schemes	23,932	22,603
	<u>429,245</u>	<u>370,672</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021: 3).

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 6 Directors' remuneration (Continued)

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

	2022 £	2021 £
Remuneration for qualifying services	139,405	126,115
Company pension contributions to defined contribution schemes	9,001	8,468

No directors' remuneration was paid by the company during the years ended 31 October 2022 or 31 October 2021.

### 7 Share-based payment transactions

During the year ended 30 October 2020, 2,946 share options were granted between thirty employees and 2,017 (2021: 2,490) options remained outstanding at the year ended 31 October 2022. 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	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 November 2021	2,490	2,648	1.45	1.45
Forfeited	(473)	(158)	1.45	1.45
Outstanding at 31 October 2022	2,017	2,490	1.45	1.45
Exercisable at 31 October 2022	-	-	-	-

The options outstanding at 31 October 2022 had an exercise price of £1.45 each and an expiry date of 18 November 2029.

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Expenses recognised in the year</b>				
Arising from equity settled share based payment transactions	25,846	49,715	-	-



# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 8 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	170,968	488,715
Government grants	(2,000)	(10,787)
Depreciation of owned tangible fixed assets	69,725	83,343
Profit on disposal of tangible fixed assets	(2,500)	(500)
Amortisation of intangible assets	1,922,158	1,779,546
Share-based payments	25,846	49,715
Operating lease charges	99,532	95,956

Impairment losses of £7,377 (2021: £15,469) were incurred in the year.

Exchange differences recognised in the profit or loss during the year, except for those arising on financial instruments measured at fair value through the profit and loss, amounted to a loss of £170,968 (2021: loss of £488,715).

### 9 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	8,650	7,200
Audit of the financial statements of the company's subsidiaries	23,850	20,000
	<u>32,500</u>	<u>27,200</u>
<b>For other services</b>		
Taxation compliance services	4,150	3,095
All other non-audit services	13,100	15,855
	<u>17,250</u>	<u>18,950</u>

### 10 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	-	1,735
Other interest income	93	907
	<u>93</u>	<u>2,642</u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 11 Interest payable and similar expenses

	2022 £	2021 £
Interest on convertible loan notes	485,472	379,688
Other interest on financial liabilities	992,774	945,000
Other interest	330	740
	<hr/>	<hr/>
Total finance costs	1,478,576	1,325,428
	<hr/>	<hr/>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 12 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	51,275	-
Adjustments in respect of prior periods	36,035	(75,216)
<b>Total current tax</b>	<b>87,310</b>	<b>(75,216)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	11,583	236,659
Changes in tax rates	(8,096)	8,820
Adjustment in respect of prior periods	(1,460)	12,721
<b>Total deferred tax</b>	<b>2,027</b>	<b>258,200</b>
<b>Total tax charge</b>	<b>89,337</b>	<b>182,984</b>

The total tax charge 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:

	2022 £	2021 £
Loss before taxation	(2,458,336)	(34,646)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(467,084)	(6,583)
Tax effect of expenses that are not deductible in determining taxable profit	389,852	331,740
Change in unrecognised deferred tax assets	226,111	(12,923)
Adjustments in respect of prior years	36,033	(75,216)
Effect of change in corporation tax rate	(8,096)	32,810
Research and development tax credit	-	(101,146)
Deferred tax adjustments in respect of prior years	(36,377)	12,721
Fixed asset differences	(2,258)	119
Adjustments to brought forward values	3,065	1,462
Remeasurement of deferred tax for changes in tax rates	(51,909)	-
<b>Taxation charge</b>	<b>89,337</b>	<b>182,984</b>

At 31 October 2022, there was an unrecognised deferred tax asset of £216,290 (2021: £nil).

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 October 2022 have been measured using these tax rates.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 13 Intangible fixed assets

Group	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 November 2021	17,358,246	759,591	18,117,837
Additions	-	268,319	268,319
At 31 October 2022	17,358,246	1,027,910	18,386,156
<b>Amortisation and impairment</b>			
At 1 November 2021	5,062,822	43,721	5,106,543
Amortisation charged for the year	1,735,825	186,333	1,922,158
At 31 October 2022	6,798,647	230,054	7,028,701
<b>Carrying amount</b>			
At 31 October 2022	10,559,599	797,856	11,357,455
At 31 October 2021	12,295,424	715,870	13,011,294

The company had no intangible fixed assets at 31 October 2022 or 31 October 2021.

### 14 Tangible fixed assets

Group	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 November 2021	36,770	57,175	24,495	245,182	363,622
Additions	-	11,498	37,110	29,356	77,964
Disposals	-	-	-	(16,274)	(16,274)
At 31 October 2022	36,770	68,673	61,605	258,264	425,312
<b>Depreciation and impairment</b>					
At 1 November 2021	29,719	43,088	18,240	161,494	252,541
Depreciation charged in the year	3,783	9,724	5,408	50,810	69,725
Eliminated in respect of disposals	-	-	-	(16,274)	(16,274)
At 31 October 2022	33,502	52,812	23,648	196,030	305,992
<b>Carrying amount</b>					
At 31 October 2022	3,268	15,861	37,957	62,234	119,320
At 31 October 2021	7,051	14,087	6,255	83,688	111,081

The company had no tangible fixed assets at 31 October 2022 or 31 October 2021.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
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 2021 and 31 October 2022					23,665,811
<b>Carrying amount</b>					
At 31 October 2022					23,665,811
At 31 October 2021					23,665,811

### 16 Subsidiaries

Details of the company's subsidiaries at 31 October 2022 are as follows:

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

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

### 17 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	3,083,633	3,434,577	-	-

Included in the above is a provision against the value of stock held at 31 October 2022 of £35,000 (2021: £35,000).

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 18 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	3,221,630	3,306,048	-	-
Corporation tax recoverable	-	4,456	-	-
Other debtors	10,793	17,350	-	-
Prepayments and accrued income	431,284	466,008	-	-
	<u>3,663,707</u>	<u>3,793,862</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 23)	-	37,224	-	37,224
	<u>3,663,707</u>	<u>3,831,086</u>	<u>-</u>	<u>37,224</u>

Included in trade debtors is a bad debt provision of £194,079 (2021: £141,456).

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

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	2,561,420	3,027,419	-	-
Amounts owed to group undertakings	-	-	8,734,217	7,754,079
Corporation tax payable	51,266	-	-	-
Other taxation and social security	951,280	1,761,816	-	-
Derivative financial instruments	187,513	62,819	-	-
Other creditors	1,296,018	1,970,666	93,637	81,000
Accruals and deferred income	506,915	421,715	-	-
	<u>5,554,412</u>	<u>7,244,435</u>	<u>8,827,854</u>	<u>7,835,079</u>

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

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Other borrowings	21	<u>15,575,592</u>	<u>15,090,120</u>	<u>15,575,592</u>	<u>15,090,120</u>

### 21 Borrowings

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Other loans	<u>15,575,592</u>	<u>15,090,120</u>	<u>15,575,592</u>	<u>15,090,120</u>
Payable after one year	<u>15,575,592</u>	<u>15,090,120</u>	<u>15,575,592</u>	<u>15,090,120</u>

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 21 Borrowings (Continued)

Other loans represent A and B loan notes of £6,575,592 (2021: £6,090,120) and Uni-tranche debt of £9,000,000 (2021: £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. At 31 October 2022, the loan notes were repayable in December 2024, but the agreement was revised post year end so they are now repayable in December 2026. The loan notes are secured by a fixed and floating charge over all of the assets of the group.

The Uni-tranche debt incurs interest at 10% plus the Bank of England Base Rate per annum which is accrued and paid quarterly. At 31 October 2022, the Uni-tranche debt was repayable in December 2023, but the agreement was revised post year end so it is now repayable in December 2025. The Uni-tranche debt is secured by a fixed and floating charge over all of the assets of the group.

### 22 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	187,513	62,819	-	-

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 23 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
<b>Group</b>				
Accelerated capital allowances	121,023	144,645	-	-
Tax losses	-	-	-	37,224
Short term timing differences	(32,433)	(20,858)	-	-
	<u>88,590</u>	<u>123,787</u>	<u>-</u>	<u>37,224</u>
	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
<b>Company</b>				
Tax losses	-	-	-	37,224
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,224</u>
			<b>Group 2022 £</b>	<b>Company 2022 £</b>
<b>Movements in the year:</b>				
Liability/(Asset) at 1 November 2021			86,563	(37,224)
Charge to profit or loss			2,027	37,224
			<u>88,590</u>	<u>-</u>
Liability at 31 October 2022				

At 31 October 2022, there was an unrecognised deferred tax asset of £216,290 (2021: £nil).

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

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>135,091</u>	<u>125,195</u>

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 £11,626 (2021: £10,903).



# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 25 Share capital

	Group and Company			
	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A1 Ordinary shares of £1 each	450	450	450	450
B1 Ordinary shares of £1 each	200	200	200	200
C1 Ordinary shares of £1 each	250	250	250	250
D1 Ordinary shares of 1p each	7,000	7,000	70	70
	<u>7,900</u>	<u>7,900</u>	<u>970</u>	<u>970</u>
	2022	2021	2022	2021
	Number	Number	£	£
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
A2 Preferred Ordinary shares of 0.01p each	2,864,284	2,864,284	286	286
C2 Preferred Ordinary shares of 0.01p each	860,716	860,716	86	86
	<u>3,725,000</u>	<u>3,725,000</u>	<u>372</u>	<u>372</u>
Preference shares classified as equity			<u>372</u>	<u>372</u>
<b>Total equity share capital</b>			<u>1,342</u>	<u>1,342</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.

### 26 Reserves

#### Share premium account

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.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

### 27 Cash generated from group operations

	2022 £	2021 £
Loss for the year after tax	(2,547,673)	(217,630)
Adjustments for:		
Taxation charged	89,337	182,984
Finance costs	1,478,576	1,325,428
Investment income	(93)	(2,642)
Gain on disposal of tangible fixed assets	(2,500)	(500)
Fair value gains and losses on derivatives	124,694	(43,541)
Amortisation and impairment of intangible assets	1,922,158	1,779,546
Depreciation and impairment of tangible fixed assets	69,725	83,343
Equity settled share based payment expense	25,846	49,715
Movements in working capital:		
Decrease/(increase) in stocks	350,944	(1,160,402)
Decrease/(increase) in debtors	125,699	(899,991)
(Decrease)/increase in creditors	(1,878,621)	2,517,276
<b>Cash (absorbed by)/generated from operations</b>	<b>(241,908)</b>	<b>3,613,586</b>

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

	1 November 2021 £	Cash flows £	Other non- cash changes £	31 October 2022 £
Cash at bank and in hand	4,190,001	(1,597,652)	-	2,592,349
Borrowings excluding overdrafts	(15,090,120)	12,637	(498,109)	(15,575,592)
	(10,900,119)	(1,585,015)	(498,109)	(12,983,243)

Other non-cash movements relate to movements in accrued interest during the year.

### 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.

# SHUTTERCRAFT HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2022

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### 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	2,107	2,070	-	-
	<u>2,107</u>	<u>2,070</u>	<u>-</u>	<u>-</u>

### 31 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2022 £	2021 £
Group		
Key management personnel	309	-
	<u>309</u>	<u>-</u>

All transactions were carried out at arms length.

### 32 Directors' transactions

Consultancy services totalling £15,000 (2021: £nil) were provided by directors in the year.

### 33 Controlling party

As at 31 October 2022 the directors did not consider there to be an ultimate controlling party.