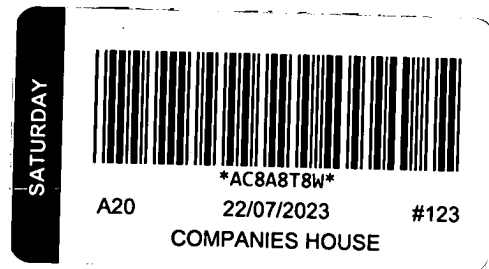


REGISTERED NUMBER: 10266695 (England and Wales)

SHD HOLDINGS LIMITED  
GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022



**SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)**

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FOR THE YEAR ENDED 30 NOVEMBER 2022**

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**SHD HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**DIRECTORS:**

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

**REGISTERED OFFICE:**

Unit 4 The Reservation  
Sleaford Enterprise Park  
Sleaford  
Lincolnshire  
NG34 7BY

**REGISTERED NUMBER:**

10266695 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Simon Syddall BFP FCA

**AUDITORS:**

Duncan & Toplis Limited, Statutory Auditor  
18 Northgate  
Sleaford  
Lincolnshire  
NG34 7BJ

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

The directors present their strategic report of the company and the group for the year ended 30 November 2022.

**REVIEW OF BUSINESS**

SHD Composite Materials Group (SHD Group) businesses supply and service a global customer base from manufacturing sites in the UK, Europe and the USA. SHD Group supply a fully comprehensive range of advanced composite tooling and component prepreg materials, catering for a vast array of applications. SHD Group's in-house formulated resin systems are supplied combined with a range of fabric and uni-directional reinforcements, each tailored to best match customers' specific technical and commercial needs.

SHD Group's turnover has grown from £22,741,847 in 2021 to £31,877,361 in 2022.

Funds have been kept with the SHD Group and the financial strength of SHD Composite materials Ltd in the UK has supported the formation of SHD Group and its subsidiaries in Europe and the US without the need for any external investment.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Still an owner managed privately owned Group, with a highly experienced board of directors, the Group is managed prudently by a senior team firmly embedded in the day to day running of the Group.

SHD Group is using increased stock on all sites to minimise disruption for customers. This enables us to focus on providing the best economic and logistical solutions, whilst endeavoring to maintain continuity of supply from our global manufacturing base.

**COMPANY DEVELOPMENT AND GROWTH**

SHD Group is committed to the very highest level of customer support, quality and leading-edge innovation. Key to the SHD Group strategy is providing its ever-growing international customer base with the benefits derived from a global manufacturing network, combined with local know-how and responsiveness. Embedded within this core strategy is a commitment to maintain the company's short production lead-times, to which its customer base has become accustomed and draws significant operational benefit.

Through continual product development, both internally driven and through collaboration with customers the SHD Group has identified key strategic growth areas. These meet the market demand for net zero emissions, sustainability and environment-friendly technologies and resulted in the development of a world-leading range of bio based composite materials.

Our environmental policy is to be expanded as a priority in 2023 to encompass the need for increased environmental and sustainability measures and products.

All manufacturing sites are fully AS9100 accredited.

**ON BEHALF OF THE BOARD:**

.....  
Mrs H L Doughty Director

Date: 5.07.23.....

**SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2022.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 30 November 2022 will be £1,093,920.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2021 to the date of this report.

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**

.....  
Mrs H L Doughty Director

Date: 5.07.23.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHD HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of SHD Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 November 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 and 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SHD HOLDINGS LIMITED**

**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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SHD HOLDINGS LIMITED**

**Auditors' responsibilities for the audit of the financial statements**

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

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

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

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit.

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


Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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

  
Simon Syddall BPP FCA (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis Limited, Statutory Auditor  
18 Northgate  
Sleaford  
Lincolnshire  
NG34 7BJ

Date: ..... 20/12/23 .....

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	31,877,361	22,741,847
Cost of sales		21,908,389	15,348,262
<b>GROSS PROFIT</b>		9,968,972	7,393,585
Administrative expenses		5,705,706	4,165,153
		4,263,266	3,228,432
Other operating income		95,123	151,425
<b>OPERATING PROFIT</b>	5	4,358,389	3,379,857
Interest receivable and similar income		8,514	(83)
		4,366,903	3,379,774
Interest payable and similar expenses	6	17,507	15,649
<b>PROFIT BEFORE TAXATION</b>		4,349,396	3,364,125
Tax on profit	7	505,410	352,682
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,843,986	3,011,443
Profit attributable to:			
Owners of the parent		3,839,348	2,884,468
Non-controlling interests		4,638	126,975
		3,843,986	3,011,443

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>PROFIT FOR THE YEAR</b>		3,843,986	3,011,443
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,843,986</u>	<u>3,011,443</u>
Total comprehensive income attributable to:			
Owners of the parent		3,838,898	2,884,018
Non-controlling interests		5,088	127,425
		<u>3,843,986</u>	<u>3,011,443</u>


The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
30 NOVEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,947,516		1,271,304
Investments	11		-		-
			<u>1,947,516</u>		<u>1,271,304</u>
<b>CURRENT ASSETS</b>					
Stocks	12	6,249,558		3,824,450	
Debtors	13	6,281,272		4,485,332	
Cash at bank and in hand		432,569		638,882	
		<u>12,963,399</u>		<u>8,948,664</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	6,968,648		5,046,037	
			<u>5,994,751</u>		<u>3,902,627</u>
<b>NET CURRENT ASSETS</b>					
			<u>7,942,267</u>		<u>5,173,931</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(48,205)		(78,156)
<b>PROVISIONS FOR LIABILITIES</b>					
	20		(241,575)		(193,804)
<b>NET ASSETS</b>					
			<u><u>7,652,487</u></u>		<u><u>4,901,971</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		204		204
Retained earnings	22		7,610,157		4,864,729
<b>SHAREHOLDERS' FUNDS</b>					
			<u>7,610,361</u>		<u>4,864,933</u>
<b>NON-CONTROLLING INTERESTS</b>					
	23		<u>42,126</u>		<u>37,038</u>
<b>TOTAL EQUITY</b>					
			<u><u>7,652,487</u></u>		<u><u>4,901,971</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 5.01.23 and were signed on its behalf by:

  
Mrs H L Doughty, Director

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

COMPANY STATEMENT OF FINANCIAL POSITION  
30 NOVEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		-		-
Investments	11		1,810,425		1,810,425
			<u>1,810,425</u>		<u>1,810,425</u>
<b>CURRENT ASSETS</b>					
Debtors	13	446,219		249,057	
Cash at bank		22,166		90,325	
		<u>468,385</u>		<u>339,382</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	381,445		300,479	
			<u>86,940</u>		<u>38,903</u>
<b>NET CURRENT ASSETS</b>					
			<u>1,897,365</u>		<u>1,849,328</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		204		204
Share premium	22		1,808,877		1,808,877
Retained earnings	22		88,284		40,247
			<u>1,897,365</u>		<u>1,849,328</u>
<b>SHAREHOLDERS' FUNDS</b>					
			<u>1,141,957</u>		<u>893,340</u>
Company's profit for the financial year					
			<u>1,141,957</u>		<u>893,340</u>

The financial statements were approved by the Board of Directors and authorised for issue on 5.07.23 and were signed on its behalf by:

  
.....  
Mrs H L Doughty, Director

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2022

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 December 2020</b>	200	2,855,701	2,855,901	(90,387)	2,765,514
<b>Changes in equity</b>					
Issue of share capital	4	-	4	-	4
Dividends	-	(875,440)	(875,440)	-	(875,440)
Total comprehensive income	-	2,884,468	2,884,468	127,425	3,011,893
<b>Balance at 30 November 2021</b>	<u>204</u>	<u>4,864,729</u>	<u>4,864,933</u>	<u>37,038</u>	<u>4,901,971</u>
<b>Changes in equity</b>					
Dividends	-	(1,093,920)	(1,093,920)	-	(1,093,920)
Total comprehensive income	-	3,839,348	3,839,348	5,088	3,844,436
<b>Balance at 30 November 2022</b>	<u>204</u>	<u>7,610,157</u>	<u>7,610,361</u>	<u>42,126</u>	<u>7,652,487</u>

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 December 2020</b>	200	22,347	1,808,877	1,831,424
<b>Changes in equity</b>				
Issue of share capital	4	-	-	4
Dividends	-	(875,440)	-	(875,440)
Total comprehensive income	-	893,340	-	893,340
<b>Balance at 30 November 2021</b>	<u>204</u>	<u>40,247</u>	<u>1,808,877</u>	<u>1,849,328</u>
<b>Changes in equity</b>				
Dividends	-	(1,093,920)	-	(1,093,920)
Total comprehensive income	-	1,141,957	-	1,141,957
<b>Balance at 30 November 2022</b>	<u>204</u>	<u>88,284</u>	<u>1,808,877</u>	<u>1,897,365</u>

The notes form part of these financial statements

**SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,059,241	2,071,476
Interest paid		(12,734)	(11,886)
Interest element of hire purchase payments paid		(4,773)	(3,846)
Tax paid		(559,569)	(161,083)
Net cash from operating activities		<u>1,482,165</u>	<u>1,894,661</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(904,168)	(411,679)
Sale of tangible fixed assets		2,282	-
Interest received		8,514	-
Net cash from investing activities		<u>(893,372)</u>	<u>(411,679)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		-	(179,057)
Capital repayments in year		(27,824)	(27,597)
Amount introduced by directors		75,864	91,761
Share issue		-	4
Grants received		73,028	124,515
Equity dividends paid		(1,093,920)	(875,440)
Net cash from financing activities		<u>(972,852)</u>	<u>(865,814)</u>
(Decrease)/increase in cash and cash equivalents		(384,059)	617,168
Cash and cash equivalents at beginning of year	2	(27,350)	(644,518)
Cash and cash equivalents at end of year	2	<u>(411,409)</u>	<u>(27,350)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	4,349,396	3,364,125
Depreciation charges	216,678	187,981
Loss on disposal of fixed assets	8,694	9,266
Unrealised foreign exchange movements	-	(13,137)
Government grants	(72,276)	(120,316)
Finance costs	17,507	15,649
Finance income	(8,514)	83
	<u>4,511,485</u>	<u>3,443,651</u>
Increase in stocks	(2,425,108)	(1,275,195)
Increase in trade and other debtors	(1,795,940)	(1,092,927)
Increase in trade and other creditors	1,768,804	995,947
	<u>2,059,241</u>	<u>2,071,476</u>
<b>Cash generated from operations</b>	<u><u>2,059,241</u></u>	<u><u>2,071,476</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2022

	30.11.22	1.12.21
	£	£
Cash and cash equivalents	432,569	638,882
Bank overdrafts	(843,978)	(666,232)
	<u>(411,409)</u>	<u>(27,350)</u>

Year ended 30 November 2021

	30.11.21	1.12.20
	£	£
Cash and cash equivalents	638,882	324,976
Bank overdrafts	(666,232)	(969,494)
	<u>(27,350)</u>	<u>(644,518)</u>

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.21 £	Cash flow £	At 30.11.22 £
<b>Net cash</b>			
Cash at bank and in hand	638,882	(206,313)	432,569
Bank overdrafts	(666,232)	(177,746)	(843,978)
	<u>(27,350)</u>	<u>(384,059)</u>	<u>(411,409)</u>
<b>Debt</b>			
Finance leases	(106,906)	27,824	(79,082)
	<u>(106,906)</u>	<u>27,824</u>	<u>(79,082)</u>
<b>Total</b>	<u>(134,256)</u>	<u>(356,235)</u>	<u>(490,491)</u>

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**1. STATUTORY INFORMATION**

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

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken the option to not prepare a cash flow statement, key management personnel compensation and financial instruments disclosures. This exemption is allowed under FRS 102 as such statements shall be prepared at a group level.

**Basis of consolidation**

The Group accounts have been prepared on the basis that full disclosure has been made of subsidiary company figures. Subsidiary figures are fully included within these financial statements with allowance for any consolidation adjustments.

**Turnover**

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

**Tangible fixed assets**

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

Improvements to property	- 10% on cost
Plant and machinery	- 20% on cost and 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

The cost of tangible fixed assets represents the invoice value of the asset, as well as other costs that are deemed necessary in order to bring the asset into use.

Tangible fixed assets are held at cost less depreciation.

**Stocks**

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

Stocks are accounted for on a first-in first-out basis.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

**Foreign currencies**

Transactions expressed in foreign currencies are initially recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the period end reporting date.

All differences are taken to the income statement.

**Hire purchase and leasing commitments**

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

The interest element of these obligations is charged to the consolidated statement of comprehensive income over the relevant period. The capital element of the future payments is treated as a liability. Rentals paid under operating leases are charged to consolidated statement of comprehensive income on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

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

**Financial instruments**

The group has adopted the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 receipts discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

2. ACCOUNTING POLICIES - continued

**Reduced disclosures**

The company has taken the option to not prepare a cash flow statement, key management personnel compensation and financial instruments disclosures. This exemption is allowed under FRS 102 as such statements shall be prepared at a group level.

**Critical accounting judgements and estimation uncertainty**

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

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	13,803,114	10,420,494
Europe	10,062,989	7,009,354
United States of America	6,906,880	4,609,193
Asia	884,945	507,709
Oceania	219,433	195,097
	<u>31,877,361</u>	<u>22,741,847</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	4,972,354	3,516,776
Social security costs	329,511	286,592
Other pension costs	138,276	104,926
	<u>5,440,141</u>	<u>3,908,294</u>

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

	2022	2021
Production	46	38
Sales, research and administration	58	48
	<u>104</u>	<u>86</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 104 (2021 - 86).

	2022	2021
	£	£
Directors' remuneration	<u>755,780</u>	<u>367,314</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>114,310</u>	<u>130,962</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	233,471	80,362
Depreciation	270,224	187,980
Loss on disposal of fixed assets	8,694	9,266
Auditors' Remuneration	25,670	15,173
Foreign Exchange differences	<u>(117,079)</u>	<u>(13,136)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	2,227	3,178
Bank loan interest	10,507	8,625
Hire purchase interest	4,773	3,846
	<u>17,507</u>	<u>15,649</u>

7. TAXATION

Analysis of the tax charge

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	594,317	422,765
Adjustment re previous years	<u>(136,678)</u>	<u>(100,612)</u>
Total current tax	457,639	322,153
Deferred tax	<u>47,771</u>	<u>30,529</u>
Tax on profit	<u>505,410</u>	<u>352,682</u>

UK corporation tax has been charged at 19%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

7. TAXATION - continued

**Reconciliation of total tax charge included in profit and loss**

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

	2022 £	2021 £
Profit before tax	<u>4,349,396</u>	<u>3,364,125</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	826,385	639,184
Effects of:		
Expenses not deductible for tax purposes	2,808	5,488
Capital allowances in excess of depreciation	(740)	(35,252)
Deferred tax movement	47,771	30,529
Research and development tax reclaim	(297,232)	(100,000)
Adjustments for overseas taxes	(65,122)	(182,707)
Adjustment in prior year	-	(612)
Super deductions	<u>(8,460)</u>	<u>(3,948)</u>
Total tax charge	<u>505,410</u>	<u>352,682</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2022 £	2021 £
A shares of 0.01 each Interim	743,000	571,440
B shares of 1 each Interim	260,000	250,000
C shares of 0.01 each Interim	72,000	54,000
D shares of 0.01 each Interim	<u>18,720</u>	<u>          </u>
	<u>1,093,920</u>	<u>875,440</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

## 10. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 December 2021	115,214	2,007,910	66,746
Additions	58,687	705,166	14,956
Disposals	(1,992)	(10,659)	(1,519)
At 30 November 2022	171,909	2,702,417	80,183
<b>DEPRECIATION</b>			
At 1 December 2021	68,814	917,439	29,433
Charge for year	12,577	164,245	7,033
Eliminated on disposal	(768)	(5,208)	(602)
At 30 November 2022	80,623	1,076,476	35,864
<b>NET BOOK VALUE</b>			
At 30 November 2022	91,286	1,625,941	44,319
At 30 November 2021	46,400	1,090,471	37,313
	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 December 2021	6,735	205,036	2,401,641
Additions	80,701	44,658	904,168
Disposals	-	(11,609)	(25,779)
At 30 November 2022	87,436	238,085	3,280,030
<b>DEPRECIATION</b>			
At 1 December 2021	2,921	111,730	1,130,337
Charge for year	4,179	28,946	216,980
Eliminated on disposal	-	(8,225)	(14,803)
At 30 November 2022	7,100	132,451	1,332,514
<b>NET BOOK VALUE</b>			
At 30 November 2022	80,336	105,634	1,947,516
At 30 November 2021	3,814	93,306	1,271,304

The net book value of tangible fixed assets includes £109,215 (2021 - £147,703) in respect of assets held under hire purchase contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
<b>COST</b>	
At 1 December 2021 and 30 November 2022	1,810,425
<b>NET BOOK VALUE</b>	
At 30 November 2022	<u>1,810,425</u>
At 30 November 2021	<u>1,810,425</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**SHD Composite Materials Limited**

Registered office: England and Wales  
Nature of business: Carbon Fibre Impregnation

Class of shares:	%
Ordinary shares	holding 100.00

**SHD Composite Materials (USA) Limited**

Registered office: England and Wales  
Nature of business: Holding company

Class of shares:	%
C shares	holding 75.00

**SHD Engineering Limited**

Registered office: England and Wales  
Nature of business: Manufacturing and Engineering

Class of shares:	%
Ordinary	holding 75.00

**SHD MTI Limited**

Registered office: England and Wales  
Nature of business: Manufacturing Carbon Fibre Impregnation

Class of shares:	%
Ordinary	holding 75.00

**SHD Composite Materials Inc**

Registered office: United States of America  
Nature of business: Carbon Fibre Impregnation

Class of shares:	%
Ordinary	holding 75.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

11. FIXED ASSET INVESTMENTS - continued

**SHD Composite Materials Europe d.o.o**

Registered office: Slovenia

Nature of business: Carbon Fibre Impregnation

Class of shares:	%
Ordinary	holding 100.00

**Subsidiary audit exemptions**

The below subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Companies Act 2006.

SHD MTI Ltd

SHD Engineering Ltd

SHD Composite Materials (USA) Ltd

The below subsidiaries are exempt from the requirements of an audit in their respective countries.

SHD Composite Materials Europe d.o.o

SHD Composite Materials Inc

12. STOCKS

	Group	
	2022	2021
	£	£
Stocks	<u>6,249,558</u>	<u>3,824,450</u>

13. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	6,105,853	4,332,313	-	-
Amounts owed by group undertakings	-	-	446,219	249,057
Other debtors	16,605	7,737	-	-
Prepayments and accrued income	158,364	144,832	-	-
	<u>6,280,822</u>	<u>4,484,882</u>	<u>446,219</u>	<u>249,057</u>
Amounts falling due after more than one year:				
Called up share capital not paid	<u>450</u>	<u>450</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>6,281,272</u>	<u>4,485,332</u>	<u>446,219</u>	<u>249,057</u>

A short term loan of £843,900 (2021: £666,232) has been raised against the above debtors under an invoice discounting arrangement at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank loans and overdrafts (see note 16)	843,978	666,232	-	-
Hire purchase contracts (see note 17)	30,877	28,750	-	-
Trade creditors	4,133,763	2,703,681	1	1
Amounts owed to group undertakings	-	-	600	600
Taxation	305,512	407,442	13,261	10,145
Other taxes and social security	79,242	112,565	-	-
VAT	239,809	241,933	2,939	2,152
Other creditors	145,812	138,992	96,000	100,000
Directors' loan accounts	268,402	192,538	262,924	187,581
Accrued expenses	792,305	402,109	5,720	-
Deferred government grants	128,948	151,795	-	-
	<u>6,968,648</u>	<u>5,046,037</u>	<u>381,445</u>	<u>300,479</u>

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

	Group	
	2022 £	2021 £
Hire purchase contracts (see note 17)	<u>48,205</u>	<u>78,156</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>843,978</u>	<u>666,232</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2022 £	2021 £
Net obligations repayable:		
Within one year	30,877	28,750
Between one and five years	<u>48,205</u>	<u>78,156</u>
	<u>79,082</u>	<u>106,906</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank overdrafts	843,978	666,232
Hire purchase contracts	79,082	106,906
	<u>923,060</u>	<u>773,138</u>

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

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

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

19. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

	2022	2021
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	6,105,853	4,332,313
Other debtors	16,605	7,737
	<u>6,122,458</u>	<u>4,340,050</u>
<b>Financial liabilities measured at amortised cost</b>		
Invoice discounting facility	843,900	666,232
Trade creditors	4,133,764	2,703,681
Taxation	305,512	407,442
Other taxes and social security	79,242	112,565
Other creditors	145,812	138,992
	<u>5,408,230</u>	<u>4,028,912</u>

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

20. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	241,575	193,804
	<u>241,575</u>	<u>193,804</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 December 2021		193,804
Accelerated capital allowance		47,771
		<u>241,575</u>
Balance at 30 November 2022		<u>241,575</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
8,900	A	0.01	89	95
100	B	1	100	100
900	C	0.01	9	9
624	D	0.01	6	
			<u>204</u>	<u>204</u>

22. RESERVES

Group	Retained earnings £		
At 1 December 2021			4,864,729
Profit for the year			3,839,348
Dividends			<u>(1,093,920)</u>
At 30 November 2022			<u>7,610,157</u>
<b>Company</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Totals £</b>
At 1 December 2021	40,247	1,808,877	1,849,124
Profit for the year	1,141,957		1,141,957
Dividends	<u>(1,093,920)</u>		<u>(1,093,920)</u>
At 30 November 2022	<u>88,284</u>	<u>1,808,877</u>	<u>1,897,161</u>

The reserves relate to the retained earnings for the Group in their entirety.

23. NON-CONTROLLING INTERESTS

The non-controlling interest of £42,126 (2021: £37,038) represents a 25% holding in the reserves of SHD Composite Materials (USA) Limited, SHD MTI Limited and SHD Engineering Limited.

In the year dividends of £Nil (2021: £Nil) have been paid to the non-controlling shareholders in SHD Composite Materials (USA) Limited, SHD MTI Limited, SHD Engineering Limited and SHD Composite Materials Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2022

24. OTHER FINANCIAL COMMITMENTS

The company has the following commitments due as follows:

	2022	2021
	£	£
Due in less than one year	322,388	138,990
Due between one and two years	157,766	125,311
Due between two and five years	246,651	105,808
	<u>726,805</u>	<u>370,109</u>

25. RELATED PARTY DISCLOSURES

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

	2022	2021
	£	£
Sales	80,421	55,268
Dividend received	1,085,440	850,000
Amount due from related party	446,219	249,717
Amount due to related party	600	1,350
	<u>1,612,680</u>	<u>1,156,335</u>

Key management personnel of the entity or its parent (in the aggregate)

	2022	2021
	£	£
Amount due to related party	<u>268,402</u>	<u>192,538</u>

The above relate to the Directors' Loan Accounts which are unsecured, interest free and repayable on demand.

During the year, a total of key management personnel compensation of £755,780 (2021 - £355,479) was paid.

26. ULTIMATE CONTROLLING PARTY

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