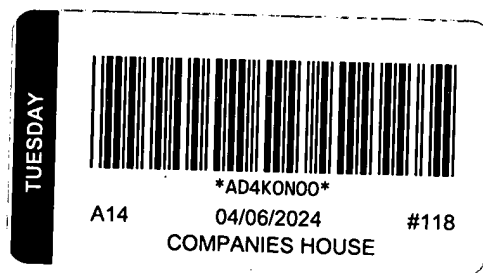


REGISTERED NUMBER: 10266695 (England and Wales)

SHD HOLDINGS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2023



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4 to 6
Consolidated Statement of Comprehensive Income	7
Consolidated Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Consolidated Statement of Cash Flows	14 to 15
Notes to the Consolidated Financial Statements	16 to 28

SHD HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2023**

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:

Rachel Rudkin FCCA

AUDITORS:

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

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023**

The directors present their strategic report of the company and the group for the year ended 30 November 2023.

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 £31,877,361 in 2022 to £41,119,022 in 2023, an increase of £9,241,661 (29%). Operating profit has also increased from £4,358,389 in 2022 to £5,808,198 in 2023, an increase of £1,449,809 (33%). The gross profit margin increased by 2% from 31% in 2022 to 33% in 2023.

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 USA 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 the Group to focus on providing the best economic and logistical solutions, whilst endeavouring 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 Group'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 2024 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: 23/05/2024

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2023**

The directors present their report with the financial statements of the company and the group for the year ended 30 November 2023.

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 2023 will be £1,611,160.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2022 to the date of this report.

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

POLITICAL DONATIONS AND EXPENDITURE

Donations costs totalled £7,322 (2022: £10,855), none of which were political donations.

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: ...23/05/2024

**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 2023 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 2023 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 group 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. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation of tangible fixed assets, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of material and unusual journal entries and challenging management on key accounting estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods used by management to make those estimates, re-performing the calculation, and reviewing the outcome of prior year estimates.

Secondly, the group 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 group'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. 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.



Rachel Rudkin FCCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Audit Limited, Statutory Auditor
18 Northgate
Sleaford
Lincolnshire
NG34 7BJ

Date: 31 May 2024

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Notes	2023 £	2022 £
TURNOVER	3	41,119,022	31,877,361
Cost of sales		<u>27,728,763</u>	<u>21,908,389</u>
GROSS PROFIT		13,390,259	9,968,972
Administrative expenses		<u>7,634,065</u>	<u>5,705,706</u>
		5,756,194	4,263,266
Other operating income		<u>52,004</u>	<u>95,123</u>
OPERATING PROFIT	5	5,808,198	4,358,389
Interest receivable and similar income		<u>1,585</u>	<u>8,514</u>
		5,809,783	4,366,903
Interest payable and similar expenses	6	<u>28,993</u>	<u>17,507</u>
PROFIT BEFORE TAXATION		5,780,790	4,349,396
Tax on profit	7	<u>1,490,994</u>	<u>505,410</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,289,796</u>	<u>3,843,986</u>
Profit attributable to:			
Owners of the parent		3,958,161	3,839,348
Non-controlling interests		<u>331,635</u>	<u>4,638</u>
		<u>4,289,796</u>	<u>3,843,986</u>

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		4,289,796	3,843,986
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,289,796</u>	<u>3,843,986</u>
Total comprehensive income attributable to:			
Owners of the parent		3,957,811	3,838,898
Non-controlling interests		<u>331,985</u>	<u>5,088</u>
		<u>4,289,796</u>	<u>3,843,986</u>

The notes form part of these financial statements

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		2,347,791		1,947,516
Investments	11		-		-
			<u>2,347,791</u>		<u>1,947,516</u>
CURRENT ASSETS					
Stocks	12	7,051,965		6,249,558	
Debtors	13	7,990,703		6,281,272	
Cash at bank and in hand		1,074,588		432,569	
			<u>16,117,256</u>	<u>12,963,399</u>	
CREDITORS					
Amounts falling due within one year	14	7,697,366		6,968,648	
			<u>8,419,890</u>	<u>5,994,751</u>	
NET CURRENT ASSETS					
			<u>10,767,681</u>	<u>7,942,267</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	15		(68,565)		(48,205)
PROVISIONS FOR LIABILITIES					
	20		(371,059)		(241,575)
NET ASSETS					
			<u>10,328,057</u>	<u>7,652,487</u>	
CAPITAL AND RESERVES					
Called up share capital	21		204		204
Retained earnings	22		9,957,158		7,610,157
SHAREHOLDERS' FUNDS					
			<u>9,957,362</u>	<u>7,610,361</u>	
NON-CONTROLLING INTERESTS					
	23		<u>370,695</u>	<u>42,126</u>	
TOTAL EQUITY					
			<u>10,328,057</u>	<u>7,652,487</u>	

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

.....
Mrs H L Doughty - Director

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**COMPANY STATEMENT OF FINANCIAL POSITION
30 NOVEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		1,810,125		1,810,425
			<u>1,810,125</u>		<u>1,810,425</u>
CURRENT ASSETS					
Debtors	13	29,511		446,219	
Cash at bank		43,002		22,166	
		<u>72,513</u>		<u>468,385</u>	
CREDITORS					
Amounts falling due within one year	14	36,429		381,445	
				<u>381,445</u>	
NET CURRENT ASSETS			<u>36,084</u>		<u>86,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,846,209</u>		<u>1,897,365</u>
CAPITAL AND RESERVES					
Called up share capital	21		204		204
Merger reserve	22		1,808,877		1,808,877
Retained earnings	22		37,128		88,284
			<u>1,846,209</u>		<u>1,897,365</u>
SHAREHOLDERS' FUNDS					
			<u>1,846,209</u>		<u>1,897,365</u>
Company's profit for the financial year			<u>1,560,004</u>		<u>1,141,957</u>

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

.....
Mrs H L Doughty - Director

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 December 2021	204	4,864,729	4,864,933	37,038	4,901,971
Changes in equity					
Dividends	-	(1,093,920)	(1,093,920)	-	(1,093,920)
Total comprehensive income	-	3,839,348	3,839,348	5,088	3,844,436
Balance at 30 November 2022	<u>204</u>	<u>7,610,157</u>	<u>7,610,361</u>	<u>42,126</u>	<u>7,652,487</u>
Changes in equity					
Dividends	-	(1,611,160)	(1,611,160)	-	(1,611,160)
Total comprehensive income	-	3,958,161	3,958,161	331,985	4,290,146
Balance at 30 November 2023	<u>204</u>	<u>9,957,158</u>	<u>9,957,362</u>	<u>374,111</u>	<u>10,331,473</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 2023**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 December 2021	204	40,247	1,808,877	1,849,328
Changes in equity				
Dividends	-	(1,093,920)	-	(1,093,920)
Total comprehensive income	-	1,141,957	-	1,141,957
Balance at 30 November 2022	<u>204</u>	<u>88,284</u>	<u>1,808,877</u>	<u>1,897,365</u>
Changes in equity				
Dividends	-	(1,611,160)	-	(1,611,160)
Total comprehensive income	-	1,560,004	-	1,560,004
Balance at 30 November 2023	<u>204</u>	<u>37,128</u>	<u>1,808,877</u>	<u>1,846,209</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 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	3,953,992	2,059,241
Interest paid		(25,383)	(12,734)
Interest element of hire purchase and finance lease rental payments paid		(3,610)	(4,773)
Tax paid		(1,157,554)	(559,569)
Net cash from operating activities		<u>2,767,445</u>	<u>1,482,165</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(628,849)	(904,168)
Sale of tangible fixed assets		-	2,282
Interest received		1,585	8,514
Net cash from investing activities		<u>(627,264)</u>	<u>(893,372)</u>
Cash flows from financing activities			
New HP contracts entered into in year		110,256	-
HP repayments in year		(35,790)	(27,824)
Amount introduced by directors		-	75,864
Amount withdrawn by directors		(266,944)	-
Grants received		21,644	73,028
Equity dividends paid		(1,611,160)	(1,093,920)
Net cash from financing activities		<u>(1,781,994)</u>	<u>(972,852)</u>
Increase/(decrease) in cash and cash equivalents		<u>358,187</u>	<u>(384,059)</u>
Cash and cash equivalents at beginning of year	2	<u>(411,409)</u>	<u>(27,350)</u>
Cash and cash equivalents at end of year	2	<u><u>(53,222)</u></u>	<u><u>(411,409)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2023

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

	2023	2022
	£	£
Profit before taxation	5,780,790	4,349,396
Depreciation charges	329,063	216,678
Loss on disposal of fixed assets	8,645	8,694
Unrealised foreign exchange movements	(35,686)	-
Government grants	(38,863)	(72,276)
Finance costs	28,993	17,507
Finance income	(1,585)	(8,514)
	<u>6,071,357</u>	<u>4,511,485</u>
Increase in stocks	(802,407)	(2,425,108)
Increase in trade and other debtors	(1,708,919)	(1,795,940)
Increase in trade and other creditors	393,961	1,768,804
	<u>3,953,992</u>	<u>2,059,241</u>
Cash generated from operations	<u><u>3,953,992</u></u>	<u><u>2,059,241</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 2023

	30.11.23	1.12.22
	£	£
Cash and cash equivalents	1,074,588	432,569
Invoice financing and bank overdrafts	(1,127,810)	(843,978)
	<u>(53,222)</u>	<u>(411,409)</u>

Year ended 30 November 2022

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

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.22 £	Cash flow £	Other non-cash changes £	At 30.11.23 £
Net cash				
Cash at bank and in hand	432,569	642,019		1,074,588
Invoice financing and bank overdrafts	<u>(843,978)</u>	<u>(283,832)</u>		<u>(1,127,810)</u>
	<u>(411,409)</u>	<u>358,187</u>		<u>(53,222)</u>
Debt				
Hire purchase and finance leases	<u>(79,082)</u>	<u>35,983</u>	<u>(123,129)</u>	<u>(153,355)</u>
	<u>(79,082)</u>	<u>35,983</u>	<u>(123,129)</u>	<u>(153,355)</u>
Total	<u><u>(490,491)</u></u>	<u><u>394,170</u></u>	<u><u>(123,129)</u></u>	<u><u>(206,577)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2023

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.

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.

Related party exemption

The group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party balances within the subsidiaries' financial statements.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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	- 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 50% on cost and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the FRS102 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 constitute 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 the income statement.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

2. ACCOUNTING POLICIES - continued

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.

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:

	2023	2022
	£	£
United Kingdom	17,184,788	13,803,114
Europe	10,844,187	10,062,989
United States of America	11,915,186	6,906,880
Asia	719,659	884,945
Oceania	455,202	219,433
	<u>41,119,022</u>	<u>31,877,361</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	5,746,426	4,972,354
Social security costs	509,793	329,511
Other pension costs	151,136	138,276
	<u>6,407,355</u>	<u>5,440,141</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

4. EMPLOYEES AND DIRECTORS - continued

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

	2023	2022
Production	69	46
Sales, research and administration	68	58
	<u>137</u>	<u>104</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 137 (2022 - 104).

	2023	2022
	£	£
Directors' remuneration	<u>751,146</u>	<u>755,780</u>

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

Money purchase schemes	<u>4</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	<u>100,101</u>	<u>114,310</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Hire of plant and machinery	204,553	233,471
Depreciation	329,063	270,224
Loss on disposal of fixed assets	8,655	8,694
Auditors' remuneration	33,230	25,670
Foreign exchange differences	76,177	(117,079)
	<u>76,177</u>	<u>(117,079)</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	5,671	2,227
Bank loan interest	19,712	10,507
Hire purchase interest	3,610	4,773
	<u>28,993</u>	<u>17,507</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

7. TAXATION

Analysis of the tax charge

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

	2023 £	2022 £
Current tax:		
UK corporation tax	1,363,813	594,317
Adjustment re previous years	(2,303)	(136,678)
	<u>1,361,510</u>	<u>457,639</u>
Total current tax		
Deferred tax	129,484	47,771
	<u>1,490,994</u>	<u>505,410</u>
Tax on profit		

UK corporation tax has been charged at 23.01% (2022 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	2023 £	2022 £
Profit before tax	<u>5,780,790</u>	<u>4,349,396</u>
Profit multiplied by the standard rate of corporation tax in the UK of 23.011% (2022 - 19%)	1,330,218	826,385
Effects of:		
Expenses not deductible for tax purposes	114,218	2,808
Capital allowances in excess of depreciation	(58,023)	(740)
Deferred tax movement	129,484	47,771
Research and development tax reclaim	-	(297,232)
Adjustments for overseas taxes	-	(65,122)
Adjustment in prior year	(2,302)	-
Super deductions	-	(8,460)
Group loss relief	(22,601)	-
	<u>1,490,994</u>	<u>505,410</u>
Total tax charge		

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

9. DIVIDENDS

	2023 £	2022 £
A shares of £0.01 each Interim	801,000	743,000
B shares of £1 each Interim	298,000	260,000
C shares of £0.01 each Interim	81,000	72,000
D shares of £0.01 each Interim	431,160	18,720
	<u>1,611,160</u>	<u>1,093,720</u>

10. TANGIBLE FIXED ASSETS

Group	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 December 2022	171,909	2,702,417	80,182
Additions	18,748	573,275	12,172
Disposals	-	(3,769)	-
At 30 November 2023	<u>190,657</u>	<u>3,271,923</u>	<u>92,354</u>
DEPRECIATION			
At 1 December 2022	80,624	1,076,476	35,863
Charge for year	15,320	240,842	8,015
Eliminated on disposal	-	(1,681)	-
At 30 November 2023	<u>95,944</u>	<u>1,315,637</u>	<u>43,878</u>
NET BOOK VALUE			
At 30 November 2023	<u>94,713</u>	<u>1,956,286</u>	<u>48,476</u>
At 30 November 2022	<u>91,285</u>	<u>1,625,941</u>	<u>44,319</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

10. TANGIBLE FIXED ASSETS - continued

Group	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 December 2022	87,436	238,085	3,280,029
Additions	79,392	55,326	738,913
Disposals	-	(31,019)	(34,788)
At 30 November 2023	<u>166,828</u>	<u>262,392</u>	<u>3,984,154</u>
DEPRECIATION			
At 1 December 2022	7,100	132,451	1,332,514
Charge for year	33,258	31,629	329,064
Eliminated on disposal	-	(23,535)	(25,216)
At 30 November 2023	<u>40,358</u>	<u>140,545</u>	<u>1,636,362</u>
NET BOOK VALUE			
At 30 November 2023	<u>126,470</u>	<u>121,847</u>	<u>2,347,792</u>
At 30 November 2022	<u>80,336</u>	<u>105,634</u>	<u>1,947,515</u>

The net book value of tangible fixed assets includes £192,243 (2022 - £109,215) in respect of assets held under hire purchase contracts and finance leases.

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 December 2022	1,810,425
Disposals	(300)
At 30 November 2023	<u>1,810,125</u>
NET BOOK VALUE	
At 30 November 2023	<u>1,810,125</u>
At 30 November 2022	<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:	% holding
Ordinary shares	100.00

SHD HOLDINGS LIMITED (REGISTERED NUMBER: 10266695)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023**

11. FIXED ASSET INVESTMENTS - continued

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 Composite Materials Inc

Registered office: United States of America

Nature of business: Carbon Fibre Impregnation

Class of shares:	%
Ordinary	holding 75.00

SHD Composite Materials Europe d.o.o

Registered office: Slovenia

Nature of business: Carbon Fibre Impregnation

Class of shares:	%
Ordinary	holding 100.00

The subsidiary, SHD MTI Limited, was dissolved on 18th April 2023. The value of the investment held was £300.

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 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	
	2023	2022
	£	£
Stocks	<u>7,051,965</u>	<u>6,249,558</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

13. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	7,713,678	6,105,853	-	-
Amounts owed by group undertakings	-	-	26,594	446,219
Other debtors	23,934	16,605	-	-
Taxation	612	-	-	-
VAT	-	-	2,917	-
Prepayments and accrued income	252,129	158,364	-	-
	<u>7,990,353</u>	<u>6,280,822</u>	<u>29,511</u>	<u>446,219</u>
Amounts falling due after more than one year:				
Called up share capital not paid	350	450	-	-
	<u>350</u>	<u>450</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>7,990,703</u>	<u>6,281,272</u>	<u>29,511</u>	<u>446,219</u>

An invoice discounting arrangement of £890,403 (2022: £843,900) has been raised against the above debtors at the year end.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Invoice financing and bank overdrafts (see note 16)	1,127,810	843,978	-	-
Hire purchase contracts and finance leases (see note 17)	84,790	30,877	-	-
Trade creditors	4,153,062	4,133,763	6,595	1
Amounts owed to group undertakings	-	-	300	600
Taxation	509,468	305,512	17,076	13,261
Other taxes and social security	81,822	79,242	-	-
VAT	449,044	239,809	-	2,939
Other creditors	71,371	145,812	-	96,000
Directors' loan accounts	1,458	268,402	1,458	262,924
Accrued expenses	1,108,995	792,305	11,000	5,720
Deferred government grants	109,547	128,948	-	-
	<u>7,697,367</u>	<u>6,968,648</u>	<u>36,429</u>	<u>381,445</u>

Held within invoice financing and bank overdrafts is £890,404 of invoice financing arrangements and £237,407 of bank overdrafts.

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

	Group	
	2023	2022
	£	£
Hire purchase contracts and finance leases (see note 17)	<u>68,565</u>	<u>48,205</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Invoice financing and bank overdrafts	<u>1,127,810</u>	<u>843,978</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts		Finance leases	
	2023	2022	2023	2022
	£	£	£	£
Net obligations repayable:				
Within one year	76,153	30,877	8,637	-
Between one and five years	<u>23,105</u>	<u>48,205</u>	<u>45,460</u>	<u>-</u>
	<u>99,258</u>	<u>79,082</u>	<u>54,097</u>	<u>-</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2023	2022
	£	£
Hire purchase contracts and finance leases	153,355	79,082
Invoice financing	<u>890,404</u>	<u>843,975</u>
	<u>1,043,759</u>	<u>923,057</u>

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

Hire purchase contracts and finance leases are secured against the assets to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

19. FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	2023 £	2022 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	7,713,678	6,105,853
Other debtors	23,934	16,605
	<u>7,737,612</u>	<u>6,122,458</u>
Financial liabilities measured at amortised cost		
Invoice discounting facility	890,404	843,978
Bank overdraft	237,407	-
Trade creditors	4,153,061	4,133,762
Taxation	509,468	305,512
Other taxes and social security	81,822	79,242
Other creditors	71,371	145,812
	<u>5,883,833</u>	<u>5,408,304</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	
	2023 £	2022 £
Deferred tax		
Accelerated capital allowances	371,059	241,575
	<u>371,059</u>	<u>241,575</u>
Group		
		Deferred tax £
Balance at 1 December 2022		241,575
Accelerated capital allowance		129,484
		<u>371,059</u>
Balance at 30 November 2023		<u>371,059</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023	2022
Number:	Class:	Nominal value:	£	£
8,900	A	£0.01	89	89
100	B	£1	100	100
900	C	£0.01	9	9
624	D	£0.01	6	6
			<u>204</u>	<u>204</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

22. RESERVES

Group			
			Retained earnings £
At 1 December 2022			7,610,157
Profit for the year			3,958,161
Dividends			(1,611,160)
			<u>9,957,158</u>
At 30 November 2023			<u>9,957,158</u>
Company			
	Retained earnings £	Merger reserve £	Totals £
At 1 December 2022	88,284	1,808,877	1,897,161
Profit for the year	1,560,004		1,560,004
Dividends	(1,611,160)		(1,611,160)
	<u>37,128</u>	<u>1,808,877</u>	<u>1,846,005</u>
At 30 November 2023	<u>37,128</u>	<u>1,808,877</u>	<u>1,846,005</u>

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

23. NON-CONTROLLING INTERESTS

The non-controlling interest of £331,985 (2022: £42,126) 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 (2022: £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.

24. OTHER FINANCIAL COMMITMENTS

The company has the following commitments due as follows:

	2023 £	2022 £
Due in less than one year	341,723	322,388
Due between one and two years	177,101	157,766
Due between two and five years	265,986	246,651
	<u>784,810</u>	<u>726,805</u>

25. RELATED PARTY DISCLOSURES

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

	2023 £	2022 £
Sales	90,421	80,421
Dividend received	1,611,160	1,085,440
Amount due from related party	28,321	446,219
Amount due to related party	2,027	600
	<u>1,731,929</u>	<u>1,612,680</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2023

25. RELATED PARTY DISCLOSURES - continued

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

	2023	2022
	£	£
Amount due to related party	<u>1,458</u>	<u>268,402</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 £751,436 (2022 - £755,780) was paid.

26. ULTIMATE CONTROLLING PARTY

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