

Company registration number 04389533 (England and Wales)

CUSTOM COVERS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

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CUSTOM COVERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors Mr R D Sanders BA, ACA
Mr R S P Bell MRINA, CEng, BSc

Secretary Mr R D Sanders BA, ACA

Company number 04389533

Registered office Quayside Road
Bitterne Manor
Southampton
Hampshire
SO18 1AD

Auditor Azets Audit Services
Secure House
Lulworth Close
Chandlers Ford
Southampton
Hampshire
SO53 3TL

CUSTOM COVERS HOLDINGS LIMITED

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CUSTOM COVERS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present the strategic report for the year ended 30 November 2022.

Principal Activities

Custom Covers Holdings Ltd acquired its subsidiary, Custom Covers (1984) Ltd on 23rd May 2002 and ownership of this asset is its principal activity. Custom Covers Holdings Ltd invests retained earnings into equity shares and money market bank accounts as part of its treasury operations.

Fair Review of Business

The Consolidated results for the year were defined by the return to more standard trading after 3 years of pandemic and post pandemic activity. Year on year we saw strong demand across all product segments with increased sales in PVC covers up 20%, decorative linings sales up 73% and linings hire up 29%; these latter two segments were particularly strong after the lean pandemic years. Consolidated turnover for the year was up 23% to £8,312k (2021: £6,768k). Gross profit for the year was £3,209k or 38.6% (2021 £2,437k or 36%); pre-tax profit for the year was £1,339k or 16% (2021 £904k or 13.4%).

At the time of this report the Group's subsidiary company order book is strong indicating a continued broad-based return to a more stable economy. We have budgeted for a 3% increase in sales year on year and the outstanding orders support this. While this 3% increase in turnover would appear to be undemanding, the sales mix predicted, plans for a 15% increase in PVC cover sales. We have a robust balance sheet backed by strong cash generation during 2022 and are positive about the new year ahead.

Principal Risks and Uncertainties

The Group's activities expose it to several financial risks: market risk: (foreign exchange and cash flow interest rate risk), credit risk, liquidity risk and inflation risk. The Group's risk management procedure focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. In addition, most of the Group's revenue derives from its subsidiary's activities as a manufacturing business in which it faces health and safety risk. Since 2020 the Group has had to contend with Pandemic economic risk. We addressed the unfolding risk associated with the emergence of the global Covid-19 pandemic since early 2020 in both of the last two years. While this risk still exists, we believe it is mitigated to a significant extent by the national Corona virus vaccine program. The directors have assessed the liquidity implications of further disruption and consider that steps introduced, along with the cash reserves in the company ensure it has adequate reserves.

Financial risk management is carried out by the finance department under procedures approved by the Managing Director. The Group evaluates and hedges financial risks. Taken in order these risks are as follows.

(a) Market risk (i) Foreign exchange risk: The Group buys a significant % of its raw materials outside the UK and hence has foreign exchange risk. This risk is hedged by the purchase of forward foreign exchange contracts when foreign purchased goods are received. (ii) cash flow interest rate risk: the Group's subsidiary Company has a fixed rate loan which will be repaid in October 2027.

(b) Credit risk: credit risk is managed by the finance function. Finance is responsible for managing and analysing the credit risk for new customers before standard payment and delivery terms and conditions are offered. For existing customers credit risk is analysed monthly and reviewed by the management committee. Credit risk arises from cash deposits with banks, as well as credit exposures to retail customers, including outstanding receivables and committed transactions.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

CUSTOM COVERS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

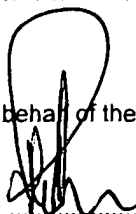
FOR THE YEAR ENDED 30 NOVEMBER 2022

(c) Liquidity risk: the Group monitors its risk of a shortage of funds using a cash flow forecasting model. This model considers the maturity of both its financial assets and financial liabilities (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Group's subsidiary Company's objective is to maintain a balance between continuity of funding and flexibility using bank loans and customer deposits where applicable to ensure that there is sufficient cash or working capital facilities to meet the requirements of the Company for its current business plan.

(d) Inflation Risk: The Group's subsidiary Company has for the second year experienced increases in raw material and energy costs of as much as 40% from some suppliers; in the last 6 months prices have started to stabilise. Challenges ahead continue to include being able to navigate upward pressure on raw material input prices as well as continued shortages in supply caused by supply chain capacity issues. In the past these resulted from the global economy shrugging off the pandemic, last year this was compounded by constraints caused by the conflict in Ukraine. The management committee has spent much time assessing the cost of these inputs and increased the instance of pricing reviews reviewing to ensure that these price rises are passed on.

Health and Safety risk management is carried out by the Health and Safety committee which reports to the management committee of the Group's subsidiary company which sits monthly. The risk we are managing is the risk of injury, serious injury and death to workplace employees. The company's operations involve physical labour, use of machinery and transport, these operations expose our staff to accidents including RIDDOR incidents. As a company we have well established training, accident reporting and processes in place to mitigate such risks. These are overseen by the Health and Safety committee which reports to the management committee of the company which sits monthly. The workings of both committees are reviewed periodically by the Board.

On behalf of the board



.....
Mr R D Sanders BA, ACA
Director

Date: March 7 2023

CUSTOM COVERS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

Results and dividends

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

A final dividend for the year ended November 2021 of £94,620 being £8.30 per ordinary share was paid on April 6, 2022. Together with the interim dividend of £94,620 being £8.30 per ordinary share (2020 £Nil) paid in November 2021. This represents a total ordinary dividend for the year ended November 2021 of £189,240 of £16.6 per ordinary share (2020 £Nil). In addition, the Company paid a special dividend of £815,100 or £71.5 per ordinary share in April 2022.

No dividend has yet been declared for year ended November 2022.

Directors

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

Mr R D Sanders BA, ACA

Mr R S P Bell MRINA, CEng, BSc

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Strategic report

The Company has chosen in accordance with s.414C (11) Companies Act 2006 to lay out in the company's strategic report information required by Sch. 7 of the large and medium sized companies and groups (Accounts and Reports) regulations 2008 to be contained in the director's report.

CUSTOM COVERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Statement of disclosure to auditor

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

On behalf of the board


.....
Mr R D Sanders BA, ACA
Director

Date: Nov 7 2023

CUSTOM COVERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CUSTOM COVERS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Custom Covers Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent company's 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CUSTOM COVERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CUSTOM COVERS HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

CUSTOM COVERS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CUSTOM COVERS HOLDINGS LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

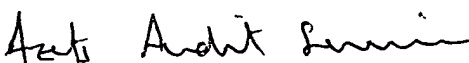
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Michael Wesley FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor


Date: 7 March 2023

Secure House
Lulworth Close
Chandlers Ford
Southampton
Hampshire
SO53 3TL

CUSTOM COVERS HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	8,311,565	6,767,939
Cost of sales		(5,102,567)	(4,330,732)
Gross profit		3,208,998	2,437,207
Administrative expenses		(1,886,713)	(1,614,714)
Other operating income		6,132	90,930
Operating profit	4	1,328,417	913,423
Interest receivable and similar income	8	27,742	11,102
Interest payable and similar expenses	9	(17,320)	(20,216)
Profit before taxation		1,338,839	904,309
Tax on profit	10	(252,385)	(201,412)
Profit for the financial year		1,086,454	702,897

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

CUSTOM COVERS HOLDINGS LIMITED

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

	2022 £	2021 £
Profit for the year	1,086,454	702,897
	<u> </u>	<u> </u>
Other comprehensive income		
Revaluation of tangible fixed assets	-	710,019
Tax relating to other comprehensive income	16,410	(118,272)
	<u> </u>	<u> </u>
Other comprehensive income for the year	16,410	591,747
	<u> </u>	<u> </u>
Total comprehensive income for the year	1,102,864	1,294,644
	<u> </u>	<u> </u>

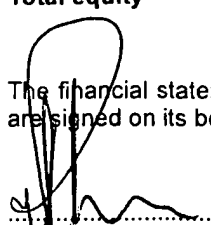
Total comprehensive income for the year is all attributable to the owners of the parent company.

CUSTOM COVERS HOLDINGS LIMITED

GROUP BALANCE SHEET AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		3,649,322		3,445,923
Current assets					
Stocks	14	1,542,856		1,097,318	
Debtors	15	306,204		395,491	
Investments	16	48,291		354,861	
Cash at bank and in hand		2,943,373		3,271,341	
		<u>4,840,724</u>		<u>5,119,011</u>	
Creditors: amounts falling due within one year	17	<u>(2,157,582)</u>		<u>(2,279,757)</u>	
Net current assets			<u>2,683,142</u>		<u>2,839,254</u>
Total assets less current liabilities			<u>6,332,464</u>		<u>6,285,177</u>
Creditors: amounts falling due after more than one year	18		(441,621)		(546,928)
Provisions for liabilities					
Deferred tax liability	20	<u>236,350</u>	<u>(236,350)</u>	<u>276,900</u>	<u>(276,900)</u>
Net assets			<u><u>5,654,493</u></u>		<u><u>5,461,349</u></u>
Capital and reserves					
Called up share capital	22		11,400		11,400
Share premium account			178,952		178,952
Revaluation reserve			1,002,405		996,343
Capital redemption reserve			567,221		567,221
Profit and loss reserves			<u>3,894,515</u>		<u>3,707,433</u>
Total equity			<u><u>5,654,493</u></u>		<u><u>5,461,349</u></u>

The financial statements were approved by the board of directors and authorised for issue on March 7 2023 and are signed on its behalf by:


Mr R D Sanders BA, ACA
Director

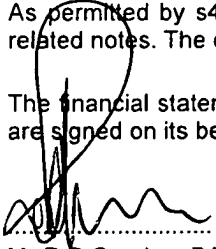
CUSTOM COVERS HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	12		1,171,661		1,171,661
Current assets					
Investments	16	48,291		354,861	
Cash at bank and in hand		891,220		423,799	
		<u>939,511</u>		<u>778,660</u>	
Creditors: amounts falling due within one year	17	<u>(4,150)</u>		<u>(3,250)</u>	
Net current assets			935,361		775,410
Net assets			<u>2,107,022</u>		<u>1,947,071</u>
Capital and reserves					
Called up share capital	22		11,400		11,400
Share premium account			178,952		178,952
Capital redemption reserve			567,221		567,221
Profit and loss reserves			1,349,449		1,189,498
Total equity			<u>2,107,022</u>		<u>1,947,071</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,069,671 (2021 - £185,459 profit).

The financial statements were approved by the board of directors and authorised for issue on Nov 7 2023 and are signed on its behalf by:


Mr R D Sanders BA, ACA
Director

Company Registration No. 04389533

CUSTOM COVERS HOLDINGS LIMITED

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

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2020		11,400	178,952	341,266	567,221	3,162,486	4,261,325
Year ended 30 November 2021:							
Profit for the year		-	-	-	-	702,897	702,897
Other comprehensive income:							
Revaluation of tangible fixed assets		-	-	710,019	-	-	710,019
Tax relating to other comprehensive income		-	-	(118,272)	-	-	(118,272)
Total comprehensive income for the year		-	-	591,747	-	702,897	1,294,644
Dividends	23	-	-	-	-	(94,620)	(94,620)
Transfers		-	-	63,330	-	(63,330)	-
Balance at 30 November 2021		11,400	178,952	996,343	567,221	3,707,433	5,461,349
Year ended 30 November 2022:							
Profit for the year		-	-	-	-	1,086,454	1,086,454
Other comprehensive income:							
Tax relating to other comprehensive income		-	-	16,410	-	-	16,410
Total comprehensive income for the year		-	-	16,410	-	1,086,454	1,102,864
Dividends	23	-	-	-	-	(909,720)	(909,720)
Transfers		-	-	(10,348)	-	10,348	-
Balance at 30 November 2022		11,400	178,952	1,002,405	567,221	3,894,515	5,654,493

CUSTOM COVERS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2020		11,400	178,952	567,221	1,098,659	1,856,232
Year ended 30 November 2021:						
Profit and total comprehensive income for the year		-	-	-	185,459	185,459
Dividends	23	-	-	-	(94,620)	(94,620)
Balance at 30 November 2021		11,400	178,952	567,221	1,189,498	1,947,071
Year ended 30 November 2022:						
Profit and total comprehensive income for the year		-	-	-	1,069,671	1,069,671
Dividends	23	-	-	-	(909,720)	(909,720)
Balance at 30 November 2022		11,400	178,952	567,221	1,349,449	2,107,022

CUSTOM COVERS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	28	931,686		1,100,105	
Interest paid		(17,320)		(20,216)	
Income taxes paid		(185,790)		(8,442)	
Net cash inflow from operating activities		<u>728,576</u>		<u>1,071,447</u>	
Investing activities					
Purchase of tangible fixed assets		(397,382)		(8,811)	
Proceeds on disposal of tangible fixed assets		18,715		133,529	
Proceeds on disposal of investments		306,570		-	
Interest received		25,736		-	
Other income received from investments		2,006		-	
Net cash (used in)/generated from investing activities		<u>(44,355)</u>		<u>124,718</u>	
Financing activities					
Repayment of bank loans		(102,469)		(609,556)	
Dividends paid to equity shareholders		(909,720)		(94,620)	
Net cash used in financing activities		<u>(1,012,189)</u>		<u>(704,176)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(327,968)</u>		<u>491,989</u>	
Cash and cash equivalents at beginning of year		<u>3,271,341</u>		<u>2,779,352</u>	
Cash and cash equivalents at end of year		<u><u>2,943,373</u></u>		<u><u>3,271,341</u></u>	

CUSTOM COVERS HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		448		(8,801)
Investing activities					
Proceeds on disposal of investments		306,570		-	
Interest received		6,042		-	
Other income received from investments		1,064,081		178,500	
Net cash generated from investing activities			1,376,693		178,500
Financing activities					
Dividends paid to equity shareholders		(909,720)		(94,620)	
Net cash used in financing activities			(909,720)		(94,620)
Net increase in cash and cash equivalents			467,421		75,079
Cash and cash equivalents at beginning of year			423,799		348,720
Cash and cash equivalents at end of year			891,220		423,799

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Custom Covers Holdings Limited ("the company") is a private limited company by shares incorporated in England and Wales. The registered office is Quayside Road, Bitterne Manor, Southampton, Hampshire, SO18 1AD.

The group consists of Custom Covers Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, except that as disclosed in the principal accounting policies as set out below.

The consolidated financial statements incorporate those of Custom Covers Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

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

1.2 Going concern

At the time of approving the financial statements, having considered the risks set out in the Strategic report and the steps taken to mitigate these, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

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

Freehold buildings	2% on cost
Plant and machinery	10% on cost
Fixtures and fittings	20% on cost and 10% on cost
Computers	20% on cost
Motor vehicles	20% on cost
Hire equipment	PVC and lining equipment 20% reducing balance, frame 10% reducing balance. No depreciation charge in the year of manufacture or inclusion in hire equipment.

Freehold land is not depreciated.

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

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.7 Stocks

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

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

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

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

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

1.15 Government grants

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

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

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

The directors have determined whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Impairment of fixed assets

The directors have determined whether there are any indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Bank borrowings

The directors have determined whether bank borrowings are classified as current or non-current borrowings. These decisions depend on the cash flow requirements of the group and whether the bank borrowings can be repaid.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

Tangible fixed assets are depreciated over their useful economic lives taking into consideration residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Allowances for doubtful debts

Allowances for doubtful accounts are maintained for estimated losses resulting from the subsequent inability of customers to make required payments. If the financial conditions of customers were to deteriorate, resulting in impairment of the ability to make payments, additional allowances may be required in future periods.

Work in progress

Assess the stage of completion of work in progress and estimate the level of materials and labour used for each job.

Land and buildings revaluation

Land and buildings are valued by chartered surveyors not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and is based on recent market transactions on arm's length terms for similar properties.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
The sale of goods	7,974,815	6,510,939
The rendering of services	336,750	257,000
	<u>8,311,565</u>	<u>6,767,939</u>
	2022	2021
	£	£
Other significant revenue		
Interest income	25,736	-
Coronavirus Job Retention Scheme	-	89,814
	<u>-</u>	<u>89,814</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

3 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	7,739,887	6,580,939
Rest of Europe	569,554	183,000
Rest of the World	2,124	4,000
	<u>8,311,565</u>	<u>6,767,939</u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(89,814)
Depreciation of owned tangible fixed assets	184,639	165,269
Profit on disposal of tangible fixed assets	(9,371)	(70,709)
Operating lease charges	-	77,697
	<u>-</u>	<u>77,697</u>

The government grants received during the prior year are in respect of the United Kingdom government Job Retention Scheme.

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,550	3,200
Audit of the financial statements of the company's subsidiaries	10,750	10,600
	<u>14,300</u>	<u>13,800</u>
For other services		
Other taxation services	1,750	1,950
	<u>1,750</u>	<u>1,950</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	2	2	2	2
Production	44	41	-	-
Administrative	14	14	-	-
	<u>60</u>	<u>57</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,526,107	2,058,494	-	-
Social security costs	251,687	241,143	-	-
Pension costs	82,958	64,821	-	-
	<u>2,860,752</u>	<u>2,364,458</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	262,219	223,016
Company pension contributions to defined contribution schemes	3,185	2,000
	<u>265,404</u>	<u>225,016</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022 £	2021 £
Remuneration for qualifying services	<u>190,072</u>	<u>162,008</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	25,736	-
Other income from investments		
Unrealised gains on financial instruments measured at fair value through profit or loss	2,006	11,102
Total income	<u>27,742</u>	<u>11,102</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>17,320</u>	<u>20,216</u>

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	<u>276,525</u>	<u>185,790</u>
Deferred tax		
Origination and reversal of timing differences	<u>(24,140)</u>	<u>15,622</u>
Total tax charge	<u>252,385</u>	<u>201,412</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	1,338,839	904,309
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	254,379	171,819
Tax effect of expenses that are not deductible in determining taxable profit	1,676	-
Tax effect of income not taxable in determining taxable profit	(1,546)	(2,321)
Effect of change in corporation tax rate	(12,014)	-
Depreciation on assets not qualifying for tax allowances	9,890	-
Capital allowances in excess of depreciation	-	16,292
Deferred tax charge	-	15,622
Taxation charge	252,385	201,412

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	(16,410)	118,272

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

11 Tangible fixed assets

Group	Freehold buildings £	Plant and machinery £	Fixtures and fittings £	Computers £	Motor vehicles £	Hire equipment £	Total £
Cost or valuation							
At 1 December 2021	2,825,000	1,321,183	141,484	168,778	82,711	232,979	4,772,135
Additions	336,788	11,012	-	22,199	4,586	22,797	397,382
Disposals	-	(48,917)	(13,388)	(4,680)	-	(25,727)	(92,712)
At 30 November 2022	3,161,788	1,283,278	128,096	186,297	87,297	230,049	5,076,805
Depreciation and impairment							
At 1 December 2021	13,588	887,920	105,139	154,044	82,408	83,113	1,326,212
Depreciation charged in the year	52,051	76,742	10,298	11,824	4,863	28,861	184,639
Eliminated in respect of disposals	-	(48,766)	(13,334)	(4,660)	-	(16,608)	(83,368)
At 30 November 2022	65,639	915,896	102,103	161,208	87,271	95,366	1,427,483
Carrying amount							
At 30 November 2022	3,096,149	367,382	25,993	25,089	26	134,683	3,649,322
At 30 November 2021	2,811,412	433,263	36,345	14,734	303	149,866	3,445,923

The company had no tangible fixed assets at 30 November 2022 or 30 November 2021.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

11 Tangible fixed assets

(Continued)

Included in cost or valuation of land and buildings is freehold land of £1,077,435 (2021 - £974,400) which is not depreciated.

The carrying value of land and buildings comprises:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Freehold	3,096,149	2,811,412	-	-

Land and buildings were valued at 19 July 2021 by Vail Williams, Chartered Surveyors not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cost	2,046,791	1,813,038	-	-
Accumulated depreciation	(154,079)	(141,592)	-	-
Carrying value	1,892,712	1,671,446	-	-

12 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	13	-	-	1,171,661	1,171,661

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 December 2021 and 30 November 2022	1,171,661
Carrying amount	
At 30 November 2022	1,171,661
At 30 November 2021	1,171,661

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

13 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Custom Covers (1984) Limited	England & Wales	Bespoke cover maker	Ordinary	100.00

14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	620,346	516,119	-	-
Work in progress	38,281	38,525	-	-
Finished goods and goods for resale	884,229	542,674	-	-
	<u>1,542,856</u>	<u>1,097,318</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	235,693	327,382	-	-
Prepayments and accrued income	70,511	68,109	-	-
	<u>306,204</u>	<u>395,491</u>	<u>-</u>	<u>-</u>

16 Current asset investments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Listed investments	<u>48,291</u>	<u>354,861</u>	<u>48,291</u>	<u>354,861</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	19	106,165	103,327	-	-
Payments received on account		387,268	915,498	-	-
Trade creditors		604,534	383,666	-	-
Corporation tax payable		276,525	185,790	-	-
Other taxation and social security		223,984	242,057	-	-
Other creditors		72,515	62,942	-	-
Accruals and deferred income		486,591	386,477	4,150	3,250
		<u>2,157,582</u>	<u>2,279,757</u>	<u>4,150</u>	<u>3,250</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	<u>441,621</u>	<u>546,928</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	<u>104,456</u>	<u>-</u>	<u>-</u>
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19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	<u>547,786</u>	<u>650,255</u>	<u>-</u>	<u>-</u>
Payable within one year	106,165	103,327	-	-
Payable after one year	<u>441,621</u>	<u>546,928</u>	<u>-</u>	<u>-</u>

Commercial Mortgage

The commercial mortgage is repayable by monthly instalments at a fixed rate of interest at 2.87%.

HSBC Bank PLC has one outstanding legal mortgage over the freehold land and buildings.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	134,488	158,628
Revaluations	101,862	118,272
	<u>236,350</u>	<u>276,900</u>
	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 December 2021	276,900	-
Credit to profit or loss	(24,140)	-
Credit to other comprehensive income	(16,410)	-
	<u>236,350</u>	<u>-</u>
Liability at 30 November 2022	<u>236,350</u>	<u>-</u>

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	82,958	64,821
	<u>82,958</u>	<u>64,821</u>

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

22 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	11,400	11,400	11,400	11,400
	<u>11,400</u>	<u>11,400</u>	<u>11,400</u>	<u>11,400</u>

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

23 Dividends

	2022 £	2021 £
Interim 2021	-	94,620
Final 2021	94,620	-
Special 2021	815,100	-
	<u>909,720</u>	<u>94,620</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	<u>119,246</u>	<u>-</u>	<u>-</u>	<u>-</u>

25 Related party transactions

Family member of a director

Dividends totalling £83,790 (2021 - £8,715) were paid in the year in respect of shares held by a family member of a director.

26 Directors' transactions

Dividends totalling £825,930 (2021 - £85,905) were paid in the year in respect of shares held by the company's directors.

27 Controlling party

The ultimate controlling party is R D Sanders BA, ACA.

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

28 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	1,086,454	702,897
Adjustments for:		
Taxation charged	252,385	201,412
Finance costs	17,320	20,216
Investment income	(27,742)	(11,102)
Gain on disposal of tangible fixed assets	(9,371)	(70,709)
Depreciation and impairment of tangible fixed assets	184,639	165,269
Movements in working capital:		
Increase in stocks	(445,538)	(251,998)
Decrease/(increase) in debtors	89,287	(49,464)
(Decrease)/increase in creditors	(215,748)	393,584
Cash generated from operations	931,686	1,100,105

29 Cash generated from/(absorbed by) operations - company

	2022 £	2021 £
Profit for the year after tax	1,069,671	185,459
Adjustments for:		
Investment income	(1,070,123)	(189,602)
Movements in working capital:		
Increase/(decrease) in creditors	900	(4,658)
Cash generated from/(absorbed by) operations	448	(8,801)

30 Analysis of changes in net funds - group

	1 December 2021 £	Cash flows £	30 November 2022 £
Cash at bank and in hand	3,271,341	(327,968)	2,943,373
Borrowings excluding overdrafts	(650,255)	102,469	(547,786)
	2,621,086	(225,499)	2,395,587

CUSTOM COVERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

31 Analysis of changes in net funds - company

	1 December 2021 £	Cash flows £	30 November 2022 £
Cash at bank and in hand	<u>423,799</u>	<u>467,421</u>	<u>891,220</u>