

COMPANY REGISTRATION NUMBER: 05934405

SDEG Limited
Financial statements
30 September 2019

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SDEG Limited

Financial statements

Year ended 30 September 2019

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SDEG Limited

Officers and professional advisers

Director	S M Doidge
Company secretary	Mrs R Doidge
Registered office	SDEG Ltd Harfreys Road Harfreys Industrial Estate Great Yarmouth Norfolk England NR31 0LS
Auditor	Lovewell Blake LLP Chartered accountants & statutory auditor Sixty Six North Quay Great Yarmouth Norfolk NR30 1HE

SDEG Limited

Strategic report

Year ended 30 September 2019

Introduction

The principal activity of the company during the year was the sale of sports, leisure and lifestyle products.

Business review

The company performed well during the year, with an increase in turnover of 23% and growth in all key markets. Gross profit margin has remained relatively stable at 14.9%. During the year overheads increased significantly as the company took on additional staff and warehousing to facilitate future growth. The director is satisfied with the performance of the company, particularly in light of the ongoing uncertainty around Brexit, which has continued to be a burden throughout the year.

Objectives

The primary objectives of the company are to develop its brands within the sports, leisure & lifestyle markets and to improve on key financial performance indicators.

Measurement

We consider the key financial performance indicators that communicate the financial performance and strengths of the company as a whole to be turnover, gross margin and operating profit.

The key financial performance indicators for the year are as follows:

Turnover £23,562,417 (2018 : £19,093,080)

Gross profit margin 14.9% (2018 : 15.6%)

Operating profit £2,085,623 (2018 : £2,133,869)

Principal risks and uncertainties

The principal risks and uncertainties that the company faces are as follows:

Political risk

Brexit has continued to dominate news headlines throughout the year and has been a continuing source of frustration. The lack of clarity provided has continued to weigh on the dollar exchange rate and has resulted in additional work for the company in terms of outcome planning. The company is confident it is well positioned to react to whatever Brexit scenario should arise.

Currency risk

The company is exposed to US Dollar and Euro exchange rate variances. The company has a currency hedging facility in place to mitigate this risk.

Supply chain risk

The company has developed strong relationships with suppliers over a number of years. The loss of a supplier through insolvency or disaster could cause significant disruption for the company in the short term as it seeks to find a suitable replacement. This risk is spread over multiple suppliers and documentation kept on file would assist in finding a suitable replacement as quickly as possible. The company further mitigates this risk by stocking enough inventory to cover short term supply chain issues.

Market risk

As with most markets there is always the possibility of a new competitor entering and causing disruption. The company monitors market activity regularly in order to stay aware of any developments and is well placed to react as required.

SDEG Limited

Strategic report *(continued)*

Year ended 30 September 2019

Principal risks and uncertainties *(continued)*

Coronavirus

Since the year end, most of the world has been heavily impacted by the coronavirus and measures taken by governments to mitigate or halt its spread.

The company has continued to trade well since the start of the outbreak, whilst keeping the safety of staff and customers as a priority. The company has been able to do this as it:

Sells through various online platforms and therefore there is no direct physical link with its customers;

Has a wide variety of non-perishable products, mainly to individuals with many for use in the home, with demand for a number of product lines not being negatively impacted to date;

Had a significant volume of stock in its warehouses at the start of the outbreak, sufficient to handle usual demand levels for a few months;

Uses large warehouses where social distancing of its staff is practical with no detriment to service levels;

Uses well established and reliable suppliers to manufacture its products and has a reasonable expectation that they will be able to deliver new products before stocks are depleted; and

Is well funded with no external borrowings.

The situation is continually evolving and is being regularly assessed by the director, who has plans in place to deal with various potential outcomes. Despite these unprecedented times, and for the reasons stated above, the director feels the company is in a position to continue to trade for the foreseeable future.


Future outlook

The company will continue to monitor the coronavirus situation and respond to any developments appropriately.

Notwithstanding the current situation, the company looks to continue to grow and expand its operations and work force during the next 12 months, with a range of exciting new products due to launch that are expected to drive additional turnover and profits.

It will continue to expand its offering internationally, where considerable growth opportunities exist and will continue to invest in attracting and retaining the best talent. The company recognises the importance of employee happiness and wellbeing and is committed to becoming a destination employer within the area.

This report was approved by the board of directors on 19/05/20 and signed on behalf of the board by:



S M Doidge
Director

Registered office:
SDEG Ltd
Harfreys Road
Harfreys Industrial Estate
Great Yarmouth
Norfolk
England
NR31 0LS

SDEG Limited

Director's report

Year ended 30 September 2019

The director presents his report and the financial statements of the company for the year ended 30 September 2019.

Director

The director who served the company during the year was as follows:

S M Doidge

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

The company has taken advantage of the exemptions available in section 414C(11) of the Companies Act 2006 with regards to the disclosure of certain information in the directors report. Such information is now included in the Strategic Report starting on page 2 which contains appropriate detailed information of the review of the business during the year and the principal risks and uncertainties affecting the company and its business.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SDEG Limited

Director's report *(continued)*

Year ended 30 September 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 19/05/20 and signed on behalf of the board by:

Simon Doidge

S M Doidge
Director

Registered office:
SDEG Ltd
Harfreys Road
Harfreys Industrial Estate
Great Yarmouth
Norfolk
England
NR31 0LS

SDEG Limited

Independent auditor's report to the members of SDEG Limited

Year ended 30 September 2019

Qualified opinion

We have audited the financial statements of SDEG Limited (the 'company') for the year ended 30 September 2019 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We have been unable to obtain sufficient appropriate evidence regarding the existence of stock at 30 September 2018 as we did not attend the stock take.

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 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 qualified opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other matter

The company was entitled to audit exemption for the year ended 30 September 2018 and therefore no audit was performed. We do not consider this to be a significant issue as additional work was carried out during the audit of the financial statements for the year ended 30 September 2019 in order to gain sufficient evidence that the opening balances and comparative figures contained within these financial statements are free from material error, with the exception of stock, as referred to in the 'Basis for qualified opinion' section above.

SDEG Limited

Independent auditor's report to the members of SDEG Limited (continued)

Year ended 30 September 2019

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

SDEG Limited

Independent auditor's report to the members of SDEG Limited (continued)

Year ended 30 September 2019

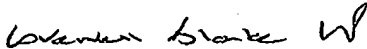
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Neil Orford FCA CF (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

2 June 2020

SDEG Limited

Statement of income and retained earnings

Year ended 30 September 2019

		2019	2018 (restated)
	Note	£	£
Turnover	4	23,562,417	19,093,080
Cost of sales		(20,050,821)	(16,114,932)
Gross profit		3,511,596	2,978,148
Administrative expenses		(1,425,973)	(854,726)
Other operating income	5	–	10,447
Operating profit	6	2,085,623	2,133,869
Other interest receivable and similar income	10	–	304
Interest payable and similar expenses	11	(494)	(229)
Profit before taxation		2,085,129	2,133,944
Tax on profit	12	(400,399)	(401,644)
Profit for the financial year and total comprehensive income		1,684,730	1,732,300
Dividends paid and payable	13	–	(100,000)
Retained earnings at the start of the year		5,124,499	3,492,199
Retained earnings at the end of the year		6,809,229	5,124,499

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

SDEG Limited

Statement of financial position

30 September 2019

		2019	2018 (restated)
	Note	£	£
Fixed assets			
Tangible assets	14	242,338	270,093
Current assets			
Stocks	15	6,102,520	4,363,736
Debtors	16	1,073,292	1,421,395
Cash at bank and in hand		1,431,516	608,638
		<u>8,607,328</u>	<u>6,393,769</u>
Creditors: Amounts falling due within one year	17	<u>(1,999,140)</u>	<u>(1,501,345)</u>
Net current assets		<u>6,608,188</u>	<u>4,892,424</u>
Total assets less current liabilities		<u>6,850,526</u>	<u>5,162,517</u>
Provisions			
Taxation including deferred tax	18	<u>(41,197)</u>	<u>(37,918)</u>
Net assets		<u>6,809,329</u>	<u>5,124,599</u>
Capital and reserves			
Called up share capital	22	100	100
Profit and loss account	23	6,809,229	5,124,499
Shareholders funds		<u>6,809,329</u>	<u>5,124,599</u>

These financial statements were approved by the board of directors and authorised for issue on 19/10/2019, and are signed on behalf of the board by:

Saman Doidge

S M Doidge
Director

Company registration number: 05934405

The notes on pages 12 to 20 form part of these financial statements.

SDEG Limited

Statement of cash flows

Year ended 30 September 2019

	2019 £	2018 (restated) £
Cash flows from operating activities		
Profit for the financial year	1,684,730	1,732,300
<i>Adjustments for:</i>		
Depreciation of tangible assets	87,030	67,520
Other interest receivable and similar income	—	(304)
Interest payable and similar expenses	494	229
Loss on disposal of tangible assets	3,418	485
Tax on profit	400,399	401,644
<i>Changes in:</i>		
Stocks	(1,738,784)	(1,190,096)
Trade and other debtors	348,103	(755,139)
Trade and other creditors	(4,015)	* 755,674
Cash generated from operations	781,375	1,012,313
Interest paid	(494)	(229)
Interest received	—	304
Tax paid	(391,000)	(407,063)
Net cash from operating activities	<u>389,881</u>	<u>605,325</u>
Cash flows from investing activities		
Purchase of tangible assets	(89,391)	(147,351)
Proceeds from sale of tangible assets	26,698	549
Net cash used in investing activities	<u>(62,693)</u>	<u>(146,802)</u>
Cash flows from financing activities		
Repayments of borrowings	(4,310)	(315)
Proceeds from loans from group undertakings	500,000	91,900
Dividends paid	—	(100,000)
Net cash from/(used in) financing activities	<u>495,690</u>	<u>(8,415)</u>
Net increase in cash and cash equivalents	822,878	450,108
Cash and cash equivalents at beginning of year	608,638	158,530
Cash and cash equivalents at end of year	<u>1,431,516</u>	<u>608,638</u>

The notes on pages 12 to 20 form part of these financial statements.

SDEG Limited

Notes to the financial statements

Year ended 30 September 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is SDEG Ltd, Harfreys Road, Harfreys Industrial Estate, Great Yarmouth, Norfolk, NR31 0LS, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The Triennial review 2017 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. Along with many businesses in the country, the company has been affected by the impact of coronavirus and measures taken to combat this.

The company has continued to trade well since the start of the outbreak, whilst keeping the safety of staff and customers as a priority. The company has been able to do this as it:

Sells through various online platforms and therefore there is no direct physical link with its customers;

Has a wide variety of non-perishable products, mainly to individuals with many for use in the home, with demand for a number of product lines not being negatively impacted to date;

Had a significant volume of stock in its warehouses at the start of the outbreak, sufficient to handle usual demand levels for a few months;

Uses large warehouses where social distancing of its staff is practical with no detriment to service levels;

Uses well established and reliable suppliers to manufacture its products and has a reasonable expectation that they will be able to deliver new products before stocks are depleted; and

Is well funded with no external borrowings.

The situation is continually evolving and is being regularly assessed by the director, who has plans in place to deal with various potential outcomes. Despite these unprecedented times, and for the reasons stated above, the director feels the company is in a position to continue to trade for the foreseeable future.

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

3. Accounting policies (continued)

Revenue recognition

Turnover is measured at the fair value of the consideration received from the sale of goods on despatch to customers, stated net of discounts and of Value Added Tax.

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

Income tax

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Improvements to leasehold property	-	33% straight line
Computer equipment	-	33% straight line
Fixtures & fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Plant & machinery	-	25% reducing balance

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	2019	2018 <i>(restated)</i>
	£	£
Sale of goods	<u>23,562,417</u>	<u>19,093,080</u>

The company operates entirely from its warehouses based in the UK selling through online platforms. As is inevitable with online trading, whilst the company does trade primarily with UK customers it has also made some sales to customers in Europe. The company considers this to be a single geographical market.

5. Other operating income

	2019	2018 <i>(restated)</i>
	£	£
Commission receivable	<u>—</u>	<u>10,447</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018 <i>(restated)</i>
	£	£
Depreciation of tangible assets	87,030	67,520
Loss on disposal of tangible assets	3,418	485
Foreign exchange differences	<u>35,778</u>	<u>(3,581)</u>

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

7. Auditor's remuneration

	2019	2018 (restated)
	£	£
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>-</u>

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2019 No.	2018 No.
Number of warehouse staff	42	30
Number of administrative staff	<u>25</u>	<u>14</u>
	<u>67</u>	<u>44</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018 (restated)
	£	£
Wages and salaries	1,500,037	1,328,934
Social security costs	103,135	77,493
Other pension costs	<u>21,291</u>	<u>9,000</u>
	<u>1,624,463</u>	<u>1,415,427</u>

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2019	2018 (restated)
	£	£
Remuneration	<u>8,862</u>	<u>8,525</u>

10. Other interest receivable and similar income

	2019	2018 (restated)
	£	£
Interest on cash and cash equivalents	<u>-</u>	<u>304</u>

11. Interest payable and similar expenses

	2019	2018 (restated)
	£	£
Corporation tax interest payable	<u>494</u>	<u>229</u>

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2019

12. Tax on profit

Major components of tax expense

	2019	2018 <i>(restated)</i>
	£	£
Current tax:		
UK current tax expense	397,120	399,000
Deferred tax:		
Origination and reversal of timing differences	3,279	2,644
Tax on profit	<u>400,399</u>	<u>401,644</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

The differences are explained below:-

	2019	2018 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	2,085,129	2,133,944
Profit on ordinary activities by rate of tax	396,175	405,449
Effect of expenses not deductible for tax purposes	353	100
Effect of capital allowances and depreciation	3,871	(4,431)
Rounding on tax charge	—	526
Tax on profit	<u>400,399</u>	<u>401,644</u>

13. Dividends

	2019	2018 <i>(restated)</i>
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	—	100,000

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

14. Tangible assets

	Improve. to leasehold property £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Plant & machinery £	Total £
Cost						
At 1 October 2018 (as restated)	155,514	87,396	346,860	40,500	61,354	691,624
Additions	18,597	6,018	19,736	–	45,040	89,391
Disposals	(2,500)	(20,593)	(3,153)	(34,850)	–	(61,096)
At 30 September 2019	171,611	72,821	363,443	5,650	106,394	719,919
Depreciation						
At 1 October 2018	121,269	59,921	206,383	8,412	25,546	421,531
Charge for the year	17,466	13,737	39,197	761	15,869	87,030
Disposals	(1,787)	(20,551)	(2,834)	(5,808)	–	(30,980)
At 30 September 2019	136,948	53,107	242,746	3,365	41,415	477,581
Carrying amount						
At 30 September 2019	34,663	19,714	120,697	2,285	64,979	242,338
At 30 September 2018	34,245	27,475	140,477	32,088	35,808	270,093

15. Stocks

	2019 £	2018 (restated) £
Raw materials and consumables	6,102,520	4,363,736

16. Debtors

	2019 £	2018 (restated) £
Trade debtors	230,847	250,758
Prepayments and accrued income	27,789	49,324
Director's loan account	129	–
Other debtors	814,527	1,121,313
	1,073,292	1,421,395

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

17. Creditors: Amounts falling due within one year

	2019	2018 (restated)
	£	£
Trade creditors	894,116	942,341
Amounts owed to group undertakings	591,900	91,900
Accruals and deferred income	94,258	72,046
Corporation tax	197,120	191,000
Social security and other taxes	66,928	27,083
Director loan accounts	—	4,310
Other creditors	154,818	172,665
	<u>1,999,140</u>	<u>1,501,345</u>

18. Provisions

	Deferred tax (note 19) £
At 1 October 2018 (as restated)	37,918
Additions	<u>3,279</u>
At 30 September 2019	<u>41,197</u>

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018 (restated)
	£	£
Included in provisions (note 18)	<u>41,197</u>	<u>37,918</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018 (restated)
	£	£
Accelerated capital allowances	<u>41,197</u>	<u>37,918</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £21,291 (2018: £9,000).

21. Prior period errors

The prior period adjustment relates to the inclusion of goods in transit which should have been recognised at the year end, as the risks and rewards of ownership had transferred to the company at the point they were shipped.

This has resulted in an increase in both stock and trade creditors of £449,374.

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

22. Called up share capital

Issued, called up and fully paid

	2019		2018 (restated)	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Analysis of changes in net debt

	At 1 October 2018	Cash flows	At 30 September 2019
	£	£	£
Cash at bank and in hand	608,638	822,878	1,431,516
Debt due within one year	(96,210)	(495,690)	(591,900)
	<u>512,428</u>	<u>327,188</u>	<u>839,616</u>

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018 (restated)
	£	£
Not later than 1 year	361,340	364,644
Later than 1 year and not later than 5 years	1,165,833	1,237,173
Later than 5 years	983,333	1,273,333
	<u>2,510,506</u>	<u>2,875,150</u>

26. Contingencies

The company has guaranteed the bank facility made available by HSBC Bank Plc to Hartley Williamson Limited, a company controlled by S Doidge. No liability is expected to arise under this guarantee.

27. Director's advances, credits and guarantees

At the year end Mr S Doidge owed the company £129 (2018:£Nil)

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2019

28. Related party transactions

Transactions with group companies

The company has taken advantage of the exemption conferred by FRS 102 from disclosing transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

Transactions with other related parties

During the year the company entered into the following transactions with Hartley Williamson Limited, a company controlled by S Doidge:

	2019 £	2018 £
Rent paid to related party	290,000	178,178
Management charges paid to related party	100,000	45,000
Insurance charges paid to related party	13,397	13,061
Balance owed from related party at the year end	791,917	1,022,406

29. Controlling party

The parent company and controlling party is SDHC Limited, a company registered in England and Wales. The registered office of SDHC Limited is Harfreys Road, Harfreys Industrial Estate, Great Yarmouth, Norfolk, NR31 0LS. The group consolidated accounts are available from the Registrar of Companies.