

COMPANY REGISTRATION NUMBER: 05934405

SDEG Limited
Financial statements
30 September 2020

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SDEG Limited

Strategic report

Year ended 30 September 2020

Introduction

The principal activity of the company during the year was Direct to Consumer ("D2C") e-commerce sales of sports, leisure and lifestyle products.

Business review

The company performed well during the year with significant growth in turnover and profit.

The company has continued to develop its customer base and brand awareness within the UK market.

The company withdrew from poor performing areas and released several new product ranges which have been highly successful.

The company has continued to invest in new systems and infrastructure to facilitate future growth. This includes the fit out of new offices in Norwich, due to open in 2021.

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 perform well since the start of the outbreak but has faced shipment delays and lengthy out of stock periods across many products. The company is taking steps to improve stock availability as soon as possible.

Measurement

The company closely monitors a range of KPI's. We consider the key financial performance indicators that communicate the financial performance and strengths of the company to be turnover, gross margin and operating profit. For the year turnover has increased to £38.8 million. Gross profit margin was 32.4% and operating profit was £10.8 million.

Principal risks and uncertainties

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

Political risk

A Brexit deal has now been agreed, although uncertainty still remains about the long run challenges this will create.

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. This risk is spread over multiple suppliers and documentation kept on file would assist in finding a suitable alternative as quickly as possible.

Market risk

There is always the possibility of new competitors entering the market and causing disruption. The company monitors market activity closely and is well placed to react.

SDEG Limited

Strategic report *(continued)*

Year ended 30 September 2020

Future outlook

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

The market for strength and conditioning equipment continues to grow and significant opportunities exist both in the UK and Internationally.

The company expects to continue to grow its operations and staff numbers during the next 12 months.

This report was approved by the board of directors on 07/06/21 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

Director's report

Year ended 30 September 2020

The director presents his report and the financial statements of the company for the year ended 30 September 2020.

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 12 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.

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 27.05.21..... and signed on behalf of the board by:

Suman Doidge

S M Doidge
Director

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

SDEG Limited

Director's responsibilities statement

Year ended 30 September 2020

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

Independent auditor's report to the members of SDEG Limited

Year ended 30 September 2020

Opinion

We have audited the financial statements of SDEG Limited (the 'company') for the year ended 30 September 2020 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 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 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 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

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 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.

SDEG Limited

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

Year ended 30 September 2020

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.

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.

SDEG Limited

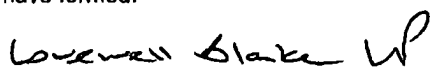
Independent auditor's report to the members of SDEG Limited *(continued)*

Year ended 30 September 2020

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

7 June 2021

SDEG Limited

Statement of income and retained earnings

Year ended 30 September 2020

	Note	2020 £	2019 £
Turnover	4	38,777,913	23,562,417
Cost of sales		(26,163,138)	(20,050,821)
Gross profit		12,614,775	3,511,596
Administrative expenses		(1,794,458)	(1,425,973)
Other operating income	5	56,233	–
Operating profit	6	10,876,550	2,085,623
Interest payable and similar expenses	10	(9,353)	(494)
Profit before taxation		10,867,197	2,085,129
Tax on profit	11	(2,067,456)	(400,399)
Profit for the financial year and total comprehensive income		<u>8,799,741</u>	<u>1,684,730</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 18 form part of these financial statements.

SDEG Limited

Statement of financial position

30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	220,706	242,338
Current assets			
Stocks	14	6,288,285	6,102,520
Debtors	15	1,786,810	1,073,292
Cash at bank and in hand		3,975,111	1,431,516
		<u>12,050,206</u>	<u>8,607,328</u>
Creditors: Amounts falling due within one year	16	<u>(3,037,309)</u>	<u>(1,999,140)</u>
Net current assets		<u>9,012,897</u>	<u>6,608,188</u>
Total assets less current liabilities		<u>9,233,603</u>	<u>6,850,526</u>
Provisions			
Taxation including deferred tax	17	<u>(38,169)</u>	<u>(41,197)</u>
Net assets		<u>9,195,434</u>	<u>6,809,329</u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account	22	<u>9,195,334</u>	<u>6,809,229</u>
Shareholders funds		<u>9,195,434</u>	<u>6,809,329</u>

These financial statements were approved by the board of directors and authorised for issue on 30/09/2020, and are signed on behalf of the board by:

Simon Doidge

S M Doidge
Director

Company registration number: 05934405

The notes on pages 11 to 18 form part of these financial statements.

SDEG Limited

Statement of cash flows

Year ended 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	8,799,741	1,684,730
<i>Adjustments for:</i>		
Depreciation of tangible assets	85,788	87,030
Interest payable and similar expenses	9,353	494
Loss on disposal of tangible assets	—	3,418
Tax on profit	2,067,456	400,399
<i>Changes in:</i>		
Stocks	(185,765)	(1,738,784)
Trade and other debtors	(713,518)	348,103
Trade and other creditors	1,142,352	(4,015)
Cash generated from operations	11,205,407	781,375
Interest paid	(9,353)	(494)
Tax paid	(1,582,767)	(391,000)
Net cash from operating activities	<u>9,613,287</u>	<u>389,881</u>
Cash flows from investing activities		
Purchase of tangible assets	(64,156)	(89,391)
Proceeds from sale of tangible assets	—	26,698
Net cash used in investing activities	<u>(64,156)</u>	<u>(62,693)</u>
Cash flows from financing activities		
Repayments of borrowings	—	(4,310)
Proceeds from loans from group undertakings	—	500,000
Repayments of loans from group undertakings	(591,900)	—
Dividends paid	(6,413,636)	—
Net cash (used in)/from financing activities	<u>(7,005,536)</u>	<u>495,690</u>
Net increase in cash and cash equivalents	2,543,595	822,878
Cash and cash equivalents at beginning of year	1,431,516	608,638
Cash and cash equivalents at end of year	<u>3,975,111</u>	<u>1,431,516</u>

The notes on pages 11 to 18 form part of these financial statements.

SDEG Limited

Notes to the financial statements

Year ended 30 September 2020

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'.

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.

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.

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and 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

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

3. Accounting policies (continued)

Financial instruments (continued)

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.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution pension 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:

	2020 £	2019 £
Sale of goods	<u>38,777,913</u>	<u>23,562,417</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

	2020 £	2019 £
Government grant income	<u>56,233</u>	<u>—</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible assets	85,788	87,030
Loss on disposal of tangible assets	—	3,418
Foreign exchange differences	128,129	35,778
Operating lease costs	<u>473,159</u>	<u>376,490</u>

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2020

7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>12,000</u>	<u>10,000</u>

8. Staff costs

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

	2020 No.	2019 No.
Number of warehouse staff	51	42
Number of administrative staff	25	25
	<u>76</u>	<u>67</u>

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

	2020 £	2019 £
Wages and salaries	1,533,058	1,500,037
Social security costs	112,443	103,135
Other pension costs	27,746	21,291
	<u>1,673,247</u>	<u>1,624,463</u>

9. Director's remuneration

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

	2020 £	2019 £
Remuneration	<u>9,046</u>	<u>8,862</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Corporation tax interest payable	<u>9,353</u>	<u>494</u>

11. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	2,070,484	397,120
Deferred tax:		
Origination and reversal of timing differences	(3,028)	3,279
Tax on profit	<u>2,067,456</u>	<u>400,399</u>

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

11. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are explained below:-

	2020 £	2019 £
Profit on ordinary activities before taxation	10,867,197	2,085,129
Profit on ordinary activities by rate of tax	2,064,767	396,175
Effect of expenses not deductible for tax purposes	15	353
Effect of capital allowances and depreciation	1,331	3,871
Effect of revenue exempt from tax	(1,184)	—
Impact of change in tax rate	2,527	—
Tax on profit	2,067,456	400,399

12. Dividends

	2020 £	2019 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	6,413,636	—

13. Tangible assets

	Improve. to leasehold property £	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Plant & machinery £	Total £
Cost						
At 1 October 2019	171,611	72,821	363,443	5,650	106,394	719,919
Additions	29,281	21,105	10,430	—	3,340	64,156
At 30 September 2020	200,892	93,926	373,873	5,650	109,734	784,075
Depreciation						
At 1 October 2019	136,948	53,107	242,746	3,365	41,415	477,581
Charge for the year	24,328	12,396	31,903	571	16,590	85,788
At 30 September 2020	161,276	65,503	274,649	3,936	58,005	563,369
Carrying amount						
At 30 September 2020	39,616	28,423	99,224	1,714	51,729	220,706
At 30 September 2019	34,663	19,714	120,697	2,285	64,979	242,338

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2020

14. Stocks

	2020	2019
	£	£
Raw materials and consumables	<u>6,288,285</u>	<u>6,102,520</u>

An impairment gain of £50,000 (2019: impairment loss of £50,000) was recognised in cost of sales against stock during the year due to the movement in the slow-moving and obsolete stock provision.

15. Debtors

	2020	2019
	£	£
Trade debtors	460,131	230,847
Prepayments and accrued income	39,165	27,789
Director's loan account	—	129
Other debtors	<u>1,287,514</u>	<u>814,527</u>
	<u>1,786,810</u>	<u>1,073,292</u>

16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,714,509	894,116
Amounts owed to group undertakings	—	591,900
Accruals and deferred income	120,258	94,258
Corporation tax	684,837	197,120
Social security and other taxes	481,197	66,928
Director loan accounts	604	—
Other creditors	<u>35,904</u>	<u>154,818</u>
	<u>3,037,309</u>	<u>1,999,140</u>

17. Provisions

	Deferred tax (note 18)
	£
At 1 October 2019	41,197
Charge against provision	<u>(3,028)</u>
At 30 September 2020	<u>38,169</u>

SDEG Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

18. Deferred tax

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

	2020	2019
	£	£
Included in provisions (note 17)	<u>38,169</u>	<u>41,197</u>

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

	2020	2019
	£	£
Accelerated capital allowances	<u>38,169</u>	<u>41,197</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £27,746 (2019: £21,291).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2020	2019
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>56,233</u>	<u>—</u>

21. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

22. Reserves

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

23. Analysis of changes in net debt

	At 1 October 2019	Cash flows	At 30 September 2020
	£	£	£
Cash at bank and in hand	1,431,516	2,543,595	3,975,111
Debt due within one year	<u>(591,900)</u>	<u>591,900</u>	<u>—</u>
	<u>839,616</u>	<u>3,135,495</u>	<u>3,975,111</u>

SDEG Limited

Notes to the financial statements *(continued)*

Year ended 30 September 2020

24. Operating leases

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

	2020	2019
	£	£
Not later than 1 year	412,833	361,340
Later than 1 year and not later than 5 years	1,628,000	1,165,833
Later than 5 years	1,172,917	983,333
	<u>3,213,750</u>	<u>2,510,506</u>

25. 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.

26. Director's advances, credits and guarantees

At the year end Mr S Doidge owed the company £Nil (2019: £126)

27. 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:

	2020	2019
	£	£
Rent paid to related party	395,419	290,000
Management charges paid to related party	125,000	100,000
Insurance charges paid to related party	17,241	13,397
Balance owed from related party at year end	1,287,514	791,917

28. 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.