

Registration number: 03134076

Sheridan Fabrications Limited

Annual Report and Financial Statements

for the Period from 29 December 2021 to 31 December 2022

Auker Rhodes Professional Services LLP
Chartered Accountants & Registered Auditors
Basement Floor
Focus House
Focus Way
Yeadon
LS19 7DB

Sheridan Fabrications Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 to 11
Profit and Loss Account	12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 to 29
Detailed Profit and Loss Account	30 to 32

Sheridan Fabrications Limited

Company Information

Directors	Mr P A Hayes Mr George Julian Lee Richard Lorne Sutcliffe Theresa Keating
Company Secretary	Forbes McNaughton
Registered office	40 Portman Square London W1H 6LT
Auditors	Auker Rhodes Professional Services LLP Chartered Accountants & Registered Auditors Basement Floor Focus House Focus Way Yeadon LS19 7DB

Sheridan Fabrications Limited

Strategic Report for the Period from 29 December 2021 to 31 December 2022

The directors present the strategic report for the period from 29 December 2021 to 31 December 2022.

The Company's principle activity is described in the Directors' Report, which is located immediately below this Strategic Report. The Company's financial Key Performance Indicators are as shown in the Profit and Loss account and Balance Sheet. We do not consider there to be any non-financial Key Performance Indicators relevant to the Company, other than those listed in the Group annual report, as detailed in the paragraph immediately below.

The Group manages its operations on a Group basis and therefore prepares a consolidated group annual report and accounts, including a consolidated strategic report. Pursuant to Section 414(A) (4) of the Companies Act 2006 (Strategic Reports and Directors' Report) Regulations 2013, which provides that a group strategic report may give greater emphasis to the matters that are significant to the undertakings included in the consolidation when taken as a whole, the following information in relation to the Company can be found in the Group annual report on the pages listed:

- Fair review of the business (pgs 2 - 35)
- Description of the principal risks and uncertainties facing the Group and its subsidiary undertakings (pgs 36 - 45)
- Financial and non-financial KPIs (pgs 28 - 29)
- Future developments (pgs 18, 26, 34)
- Information about environmental matters, social, community and human rights issues (pgs 46 - 70)
- Description of culture, purpose, market, business model and strategy (pgs 8 - 15)
- Information in relation to Group employees, including gender statistics, employee involvement and Group policy on the employment of disabled persons (pgs 105 - 106, 147).

This report is available as part of the Group's Annual Report which is available at <http://www.howdenjoinerygroupplc.com/> and which does not form part of this report.

Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging their section 172 duties the directors of the Company have regard to the factors set out above. They also have regard to other factors which they consider relevant to the decision being made. The directors acknowledge that every decision they make will not necessarily result in a positive outcome for all of the Company's stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the directors do, however, aim to make sure that their decisions are consistent and predictable.

Sheridan Fabrications Limited

Strategic Report for the Period from 29 December 2021 to 31 December 2022

As is normal for large companies, the directors delegate authority for day-to-day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. How the Group's key stakeholders have been identified and interests taken into consideration, in accordance with the directors' section 172 duties of the Companies Act 2006 and the 2018 UK Corporate Governance Code, is noted in detail on pages 86 and 87 within Howden Joinery Group Plc's Annual Report and Accounts for the year ended 24 December 2022 (www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports). As the Company forms part of the Group, the framework adopted by the ultimate parent has been disseminated and applied by the subsidiary Company.

Approved by the Board on 25/09/23 and signed on its behalf by:



Forbes McNaughton
Company Secretary

Sheridan Fabrications Limited

Directors' Report for the Period from 29 December 2021 to 31 December 2022

The directors present their report and the financial statements for the period from 29 December 2021 to 31 December 2022.

Directors of the company

The directors who held office during the period were as follows:

Mr P A Hayes (appointed 14 February 2022)

Mr George Julian Lee (appointed 14 February 2022)

Mr John Nathan Blackburn (Resigned 14 February 2022)

Richard Lorne Sutcliffe (appointed 14 February 2022)

Theresa Keating (appointed 14 February 2022)

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise loans from the director and from financial institutions. The interest rate and monthly repayments on the loans from financial institutions are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

Going concern

At the balance sheet date the company had net current liabilities of £659,855. The directors consider it appropriate to prepare the financial statements on the going concern basis due to the support provided by other group companies.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Sheridan Fabrications Limited

Directors' Report for the Period from 29 December 2021 to 31 December 2022

Political donations and dividends

No political donations or dividends have been paid in the period to 31 December 2022 nor were any made in the preceding year to 28 December 2021.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Auker Rhodes Professional Services LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 25/07/23 and signed on its behalf by:



Forbes McNaughton
Company Secretary

Sheridan Fabrications Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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. They are 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.

Sheridan Fabrications Limited

Independent Auditor's Report to the Members of Sheridan Fabrications Limited

Opinion

We have audited the financial statements of Sheridan Fabrications Limited (the 'company') for the period from 29 December 2021 to 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period 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 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

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 director are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Sheridan Fabrications Limited

Independent Auditor's Report to the Members of Sheridan Fabrications Limited

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Sheridan Fabrications Limited

Independent Auditor's Report to the Members of Sheridan Fabrications Limited

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sheridan Fabrications Limited

Independent Auditor's Report to the Members of Sheridan Fabrications 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, to detect material misstatements, in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements . These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries, and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

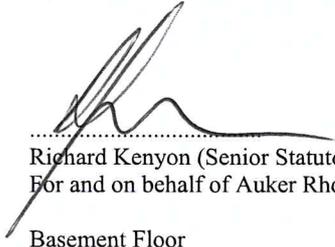
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

Sheridan Fabrications Limited

Independent Auditor's Report to the Members of Sheridan Fabrications Limited



Richard Kenyon (Senior Statutory Auditor)
For and on behalf of Auker Rhodes Professional Services LLP, Statutory Auditor

Basement Floor
Focus House
Focus Way
Yeadon
LS19 7DB

Date: 26/9/23

Sheridan Fabrications Limited

Profit and Loss Account for the Period from 29 December 2021 to 31 December 2022

	Note	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Turnover	3	37,656,292	30,555,097
Cost of sales		<u>(36,824,020)</u>	<u>(25,720,852)</u>
Gross profit		832,272	4,834,245
Administrative expenses		(5,011,718)	(4,245,918)
Other operating income		<u>8,840</u>	<u>199,589</u>
Operating (loss)/profit	4	(4,170,606)	787,916
Other interest receivable and similar income	5	-	515
Interest payable and similar charges	6	<u>(16,163)</u>	<u>(12,866)</u>
(Loss)/profit before tax		(4,186,769)	775,565
Taxation	10	<u>645,243</u>	<u>(119,772)</u>
(Loss)/profit for the financial period		<u><u>(3,541,526)</u></u>	<u><u>655,793</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

Sheridan Fabrications Limited

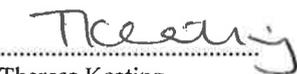
Statement of Comprehensive Income for the Period from 29 December 2021 to 31 December 2022

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
(Loss)/profit for the period	<u>(3,541,526)</u>	<u>655,793</u>
Total comprehensive income for the period	<u><u>(3,541,526)</u></u>	<u><u>655,793</u></u>

Sheridan Fabrications Limited
(Registration number: 03134076)
Balance Sheet as at 31 December 2022

	Note	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Fixed assets			
Tangible assets	12	2,054,982	1,660,459
Current assets			
Stocks	13	3,185,549	3,026,924
Debtors	14	2,411,703	5,813,196
Cash at bank and in hand	15	<u>355,988</u>	<u>373,985</u>
		5,953,240	9,214,105
Creditors: Amounts falling due within one year	16	<u>(6,613,095)</u>	<u>(5,919,670)</u>
Net current (liabilities)/assets		<u>(659,855)</u>	<u>3,294,435</u>
Total assets less current liabilities		1,395,127	4,954,894
Creditors: Amounts falling due after more than one year	16	(333,795)	(522,804)
Provisions for liabilities		<u>(383,803)</u>	<u>(213,035)</u>
Net assets		<u>677,529</u>	<u>4,219,055</u>
Capital and reserves			
Called up share capital	18	96	96
Capital redemption reserve		4	4
Profit and loss account		<u>677,429</u>	<u>4,218,955</u>
Total equity		<u>677,529</u>	<u>4,219,055</u>

Approved and authorised by the Board on 25/09/23 and signed on its behalf by:


 Theresa Keating
 Director

Sheridan Fabrications Limited

Statement of Changes in Equity for the Period from 29 December 2021 to 31 December 2022

	Share capital	Capital redemption reserve	Retained earnings	Total
	£	£	£	£
At 29 December 2021	96	4	4,218,955	4,219,055
Loss for the period	-	-	(3,541,526)	(3,541,526)
At 31 December 2022	96	4	677,429	677,529

	Share capital	Capital redemption reserve	Retained earnings	Total
	£	£	£	£
At 29 December 2020	96	4	4,404,829	4,404,929
Profit for the period	-	-	655,793	655,793
Dividends	-	-	(841,667)	(841,667)
At 28 December 2021	96	4	4,218,955	4,219,055

Sheridan Fabrications Limited

Statement of Cash Flows for the Period from 29 December 2021 to 31 December 2022

	Note	31 December 2016 to 29 December 2022 £	1 January 2016 to 30 December 2021 £
Cash flows from operating activities			
(Loss)/profit for the period		(3,541,526)	655,793
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	789,245	436,740
Finance income	5	-	(515)
Finance costs	6	16,163	12,866
Income tax expense	10	<u>(645,243)</u>	<u>119,772</u>
		(3,381,361)	1,224,656
Working capital adjustments			
(Increase)/decrease in stocks	13	(158,625)	270,219
Decrease/(increase) in trade debtors	14	4,217,504	(104,303)
Increase/(decrease) in trade creditors	16	3,295,082	(1,574,025)
Decrease in deferred income, including government grants		<u>(8,841)</u>	<u>(8,840)</u>
Cash generated from operations		3,963,759	(192,293)
Income taxes paid	10	<u>(43,263)</u>	<u>(230,766)</u>
Net cash flow from operating activities		<u>3,920,496</u>	<u>(423,059)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(1,183,768)	(598,480)
Cash flows from financing activities			
Interest paid	6	(16,163)	(12,351)
Proceeds from bank borrowing draw downs		-	(2,441)
Payments to finance lease creditors		(189,009)	417,601
Dividends paid		<u>-</u>	<u>(841,667)</u>
Net cash flows from financing activities		<u>(205,172)</u>	<u>(438,858)</u>
Net increase/(decrease) in cash and cash equivalents		2,531,556	(1,460,397)
Cash and cash equivalents at 29 December		<u>(2,175,568)</u>	<u>(715,171)</u>
Cash and cash equivalents at 31 December		<u>355,988</u>	<u>(2,175,568)</u>

The notes on pages 17 to 29 form an integral part of these financial statements.

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
40 Portman Square
London
W1H 6LT

These financial statements were authorised for issue by the Board on

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

At the balance sheet date the company had net current liabilities of £659,855. The directors consider it appropriate to prepare the financial statements on the going concern basis due to the support provided by other group companies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings freehold	2% on cost
Tools and equipment	50% on cost
Plant and machinery	20% on cost
Fixtures, fittings and equipment	10% - 20% on cost
Motor vehicles	25% on cost

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	20% on cost

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Turnover

The analysis of the company's revenue for the period from continuing operations is as follows:

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Sale of goods	<u>37,656,292</u>	<u>30,555,097</u>

Sheridan Fabrications Limited

**Notes to the Financial Statements for the Period from 29 December 2021 to 31
December 2022**

4 Operating (loss)/profit

Arrived at after charging/(crediting)

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Depreciation expense	789,245	436,740
Operating lease expense - plant and machinery	<u>264,101</u>	<u>295,467</u>

5 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	<u>-</u>	<u>515</u>

6 Interest payable and similar expenses

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Interest on bank overdrafts and borrowings	-	1,707
Interest on obligations under finance leases and hire purchase contracts	<u>16,163</u>	<u>11,159</u>
	<u>16,163</u>	<u>12,866</u>

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Wages and salaries	7,353,357	5,798,676
Social security costs	721,066	528,177
Other short-term employee benefits	41,168	20,041
Pension costs, defined contribution scheme	231,333	173,471
Other employee expense	198,098	122,371
	<u>8,545,022</u>	<u>6,642,736</u>

Staff numbers

The average number of persons employed by the company (including the director) during the year, was 210 (2021 - 200).

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Remuneration	<u>1,472</u>	<u>8,892</u>

9 Auditors' remuneration

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Audit of the financial statements	<u>24,800</u>	<u>12,000</u>

Sheridan Fabrications Limited

**Notes to the Financial Statements for the Period from 29 December 2021 to 31
December 2022**

10 Taxation

Tax charged/(credited) in the income statement

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Current taxation		
UK corporation tax	(806,263)	72,971
Deferred taxation		
Arising from origination and reversal of timing differences	71,247	46,801
Arising from changes in tax rates and laws	<u>89,773</u>	<u>-</u>
Tax (receipt)/expense in the income statement	<u>(645,243)</u>	<u>119,772</u>
Deferred tax		
Deferred tax assets and liabilities		
	Asset	Liability
	£	£
2022		
Accelerated capital allowance	-	383,803
Other timing differences	<u>9,748</u>	<u>-</u>
	<u>9,748</u>	<u>383,803</u>
2021		
Accelerated capital allowance	-	166,234
Other timing differences	<u>-</u>	<u>46,801</u>
	<u>-</u>	<u>213,035</u>

Sheridan Fabrications Limited

**Notes to the Financial Statements for the Period from 29 December 2021 to 31
December 2022**

11 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 29 December 2021	26,000	26,000
Disposals	<u>(26,000)</u>	<u>(26,000)</u>
At 31 December 2022	<u>-</u>	<u>-</u>
Amortisation		
At 29 December 2021	26,000	26,000
Amortisation eliminated on disposals	<u>(26,000)</u>	<u>(26,000)</u>
At 31 December 2022	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2022	<u>-</u>	<u>-</u>

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

12 Tangible assets

	Land and buildings £	Fixtures and fittings £	Other tangible assets £	Total £
Cost or valuation				
At 29 December 2021	118,315	2,005,689	2,952,379	5,076,383
Additions	2,800	161,043	1,019,925	1,183,768
Disposals	-	(250,132)	(365,193)	(615,325)
At 31 December 2022	<u>121,115</u>	<u>1,916,600</u>	<u>3,607,111</u>	<u>5,644,826</u>
Depreciation				
At 29 December 2021	32,143	1,496,591	1,887,190	3,415,924
Charge for the period	2,367	365,779	421,099	789,245
Eliminated on disposal	-	(250,132)	(365,193)	(615,325)
At 31 December 2022	<u>34,510</u>	<u>1,612,238</u>	<u>1,943,096</u>	<u>3,589,844</u>
Carrying amount				
At 31 December 2022	<u>86,605</u>	<u>304,362</u>	<u>1,664,015</u>	<u>2,054,982</u>
At 28 December 2021	<u>86,172</u>	<u>509,098</u>	<u>1,065,189</u>	<u>1,660,459</u>

Included within the net book value of land and buildings above is £86,604 (2021 - £86,171) in respect of freehold land and buildings.

Sheridan Fabrications Limited

**Notes to the Financial Statements for the Period from 29 December 2021 to 31
December 2022**

13 Stocks

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Raw materials and consumables	2,915,923	2,892,655
Work in progress	100,144	114,036
Finished goods and goods for resale	169,482	20,233
	<u>3,185,549</u>	<u>3,026,924</u>

14 Debtors

Current	Note	2022	2021
		£	£
Trade debtors		322,146	4,894,077
Other debtors		204,561	243,359
Prepayments		1,068,985	675,760
Deferred tax assets	10	9,748	-
Income tax asset	10	806,263	-
		<u>2,411,703</u>	<u>5,813,196</u>

15 Cash and cash equivalents

	29 December 2021 to 31 December 2022	Year ended 28 December 2021
	£	£
Cash on hand	9,517	8,384
Cash at bank	346,471	365,601
	<u>355,988</u>	<u>373,985</u>
Bank overdrafts	<u>-</u>	<u>(2,549,553)</u>
Cash and cash equivalents in statement of cash flows	<u>355,988</u>	<u>(2,175,568)</u>

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

16 Creditors

	Note	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Due within one year			
Loans and borrowings	19	189,009	2,738,562
Trade creditors		2,189,121	2,158,860
Social security and other taxes		321,094	373,368
Outstanding defined contribution pension costs		41,731	38,986
Other payables		2,876,357	155,404
Accruals		979,577	386,180
Income tax liability	10	-	43,263
Deferred income		16,206	25,047
		<u>6,613,095</u>	<u>5,919,670</u>
Due after one year			
Loans and borrowings	19	<u>333,795</u>	<u>522,804</u>

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £231,333 (2021 - £173,471).

Contributions totalling £41,731 (2021 - £38,986) were payable to the scheme at the end of the period and are included in creditors.

18 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>

Sheridan Fabrications Limited

**Notes to the Financial Statements for the Period from 29 December 2021 to 31
December 2022**

19 Loans and borrowings

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Non-current loans and borrowings		
HP and finance lease liabilities	<u>333,795</u>	<u>522,804</u>
	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Current loans and borrowings		
Bank overdrafts	-	2,549,553
HP and finance lease liabilities	<u>189,009</u>	<u>189,009</u>
	<u>189,009</u>	<u>2,738,562</u>

20 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	288,367	322,051
Later than one year and not later than five years	<u>304,619</u>	<u>340,053</u>
	<u>592,986</u>	<u>662,104</u>

Sheridan Fabrications Limited

Notes to the Financial Statements for the Period from 29 December 2021 to 31 December 2022

21 Related party transactions

Summary of transactions with all joint ventures

Sheridan New Yorkshire LLP

(LLP related by common control of a director up to 14th February 2022)

Rent of £114,656 (2021 - £687,936) was paid to Sheridan New Yorkshire LLP regarding the premises at Don Pedro Avenue, Normanton. At the balance sheet date the amount due to Sheridan New Yorkshire LLP was £nil (2021 - £155,404).

22 Control

The entire share capital of the company is owned by Howden Joinery Holdings Limited, a wholly owned subsidiary of Howden Joinery Group plc.

Sheridan Fabrications Limited

**Detailed Profit and Loss Account for the Period from 29 December 2021 to 31
December 2022**

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Turnover (analysed below)	37,656,292	30,555,097
Cost of sales (analysed below)	<u>(36,824,020)</u>	<u>(25,720,852)</u>
Gross profit	<u>832,272</u>	<u>4,834,245</u>
Gross profit (%)		
Administrative expenses		
Employment costs (analysed below)	(2,769,698)	(2,196,010)
General administrative expenses (analysed below)	(1,846,388)	(1,860,861)
Finance charges (analysed below)	(29,853)	(83,502)
Depreciation costs (analysed below)	<u>(365,779)</u>	<u>(105,545)</u>
	(5,011,718)	(4,245,918)
Other operating income (analysed below)	<u>8,840</u>	<u>199,589</u>
Operating (loss)/profit	<u>(4,170,606)</u>	<u>787,916</u>
Other interest receivable and similar income (analysed below)	-	515
Interest payable and similar charges (analysed below)	<u>(16,163)</u>	<u>(12,866)</u>
	<u>(16,163)</u>	<u>(12,351)</u>
(Loss)/profit before tax	<u><u>(4,186,769)</u></u>	<u><u>775,565</u></u>

Sheridan Fabrications Limited

**Detailed Profit and Loss Account for the Period from 29 December 2021 to 31
December 2022**

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
Turnover		
Sales, UK	<u>37,656,292</u>	<u>30,555,097</u>
Cost of sales		
Opening stock	2,892,654	3,161,746
Opening work in progress	114,036	74,443
Opening finished goods	20,233	60,953
Purchases	26,048,997	16,780,466
Closing stock	(2,915,923)	(2,892,655)
Closing work in progress	(100,143)	(114,036)
Closing finished goods	(169,483)	(20,233)
Wages and salaries	5,127,704	3,977,398
Staff NIC (Employers)	493,640	358,829
Staff pensions (Defined contribution)	153,980	109,870
Private health insurance	-	629
Packaging material	2,314,593	1,798,059
Hire of plant and machinery (Spot hire)	291,862	145,129
(Profit)/loss on foreign currency	18,477	32,417
Rent	689,186	687,936
Rates	154,707	171,950
Light, heat and power	264,393	249,845
Insurance	75,973	102,098
Plant repairs	925,668	704,813
Depreciation of freehold property	2,367	2,366
Depreciation of plant and machinery	<u>421,099</u>	<u>328,829</u>
	<u>36,824,020</u>	<u>25,720,852</u>
Employment costs		
Wages and salaries	2,224,181	1,812,386
Staff NIC (Employers)	227,426	169,348
Directors remuneration	1,472	8,892
Staff pensions (Defined contribution)	77,353	63,601
Private health insurance	41,168	19,412
Staff training	13,428	8,775
Staff welfare	145,321	89,123
Travelling	<u>39,349</u>	<u>24,473</u>
	<u>2,769,698</u>	<u>2,196,010</u>

Sheridan Fabrications Limited

**Detailed Profit and Loss Account for the Period from 29 December 2021 to 31
December 2022**

	29 December 2021 to 31 December 2022 £	Year ended 28 December 2021 £
General administrative expenses		
Telephone and fax	42,997	44,777
Computer software and maintenance costs	280,837	223,022
Printing, postage and stationery	22,216	25,901
Literature	-	5,036
Trade subscriptions	30,185	33,603
Charitable donations	537	97
Lease of motor vehicles (Operating leases)	264,101	295,467
Sundry expenses	145,472	588,776
Cleaning	31,851	26,576
Motor expenses	589,008	470,274
Advertising	30,695	25,122
Customer entertaining (disallowable for tax)	34,660	314
Accountancy fees	-	30,000
Auditor's remuneration - The audit of the company's annual accounts	24,800	12,000
Consultancy fees	67,160	46,605
Legal and professional fees	48,878	33,291
Bad debts written off	232,991	-
	<u>1,846,388</u>	<u>1,860,861</u>
Finance charges		
Bank charges	<u>29,853</u>	<u>83,502</u>
Depreciation costs		
Depreciation of fixtures and fittings (owned)	<u>365,779</u>	<u>105,545</u>
Other operating income		
Grants and subsidies	<u>8,840</u>	<u>199,589</u>
Other interest receivable and similar income		
Other interest receivable	<u>-</u>	<u>515</u>
Interest payable and similar expenses		
Bank loan interest payable	-	1,707
Hire purchase interest	<u>16,163</u>	<u>11,159</u>
	<u>16,163</u>	<u>12,866</u>