

Company Registration No. 03186042 (England and Wales)

SHEARD PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2018

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SHEARD PROPERTIES LIMITED

COMPANY INFORMATION

Directors	J S Whittaker B Whittaker
Secretary	B Whittaker
Company number	03186042
Registered office	Solar Works Calder Street Greetland Halifax West Yorkshire HX4 8AQ
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
Business address	Solar Works Calder Street Greetland Halifax West Yorkshire HX4 8AQ

SHEARD PROPERTIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present the strategic report and financial statements for the year ended 30 April 2018.

The principal activity of the group during the year continued to be the manufacture of corrugated cartons.

The principal activity of the company during the year was that of a holding company and property holding company.

Fair review of the business

As a result of increased business development and trading activity in the year, sales grew in line with forecasts to £48.47m (2017: £44.38m). Profit margins remained largely consistent with the previous year, resulting in net profit of £6.28m (2017: £5.18m).

During the year, the group generated £4.41m (2017: absorbed £0.65m) of cash and cash equivalents.

	2018	2017
Gross Profit %	24.10%	23.39%
Operating Profit %	16.05%	14.42%
Current ratio	2.75	2.93
Debtor Days	58	60
Creditor Days	36	36
On-time, in-full delivery %	98.10%	98.90%

Dividends paid during the year totalling £4.18m. The net assets of the group increased from £21.0m to £23.1m. Shareholders' funds of £23.1m, including cash at bank of £10.9m (2017: £6.5m), retained in the group allow the directors to finance a rolling investment programme and further anticipated growth.

Performance is managed by reference to the production of regular monthly management information.

Principal risks and uncertainties

The board recognises the general, commercial and financial risks that need to be managed.

We aim to ensure our business is as resilient as it can be to general risks such as economic conditions, political, regulatory and legislative changes by supporting our internal policies and procedures with external professional advice.

The principal commercial risks to the business are the loss of key customer accounts and fluctuations in paper prices. We mitigate the risk of losing key customers by maintaining a broad customer base without dependence on any customer. We mitigate the risk of paper price fluctuation with flexible supplier and customer arrangements.

The principal financial risk to the business is that associated with trade debtors. This risk is managed using credit insurance and spreading the risk over a large number of customers.

Risks to the business are reported and reviewed at regular meetings of the directors and risk mitigation strategies are implemented as appropriate.

SHEARD PROPERTIES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

Future developments

The group's overriding, and continuing objective is to increase its market share by differentiating itself from its competitors by continuing to maintain our excellent service levels, with short lead times which has helped us to retain existing customers and attract new business.

This along with the support of our continued high investment in plant and equipment helps the business to ensure we provide our customers with a cost-effective solution to their corrugated requirements.

Our independent status remains vital to our customers and offers them a good choice in the heavily consolidated UK corrugated market.

Environmental matters

The group is conscious of complying with legislation surrounding environmental matters and monitor this closely.

On behalf of the board



B Whittaker

Director

Date: 11/10/18

SHEARD PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

Principal activities

The principal activity of the company and group is disclosed in the Strategic Report.

Directors

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

J S Whittaker
B Whittaker

Results and dividends

The results for the year are set out on page 7.

Particulars of dividends paid are detailed in note 9 to the financial statements. The directors do not recommend payment of a final dividend.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

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

Strategic report

The information required by schedule 7 of the Large and Medium - sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Financial risk management objectives and policies

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's and company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group's and company's trading activities.

The group and company makes use of operational UK bank accounts and short term borrowing facilities if required. Its exposure to price risk, credit risk, liquidity risk and cash flow risk is minimised by retaining sufficient liquid funds to enable it to meet its day to day requirements.

On behalf of the board



B Whittaker
Director

Date: 11/10/18

SHEARD PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2018

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEARD PROPERTIES LIMITED

Opinion

We have audited the financial statements of Sheard Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated 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 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 group's and the parent company's affairs as at 30 April 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 directors are 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 our audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHEARD PROPERTIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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: <http://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.



Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

23 October 2018

SHEARD PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Turnover	3	48,474,450	44,375,848
Cost of sales		(36,793,782)	(33,996,258)
Gross profit		11,680,668	10,379,590
Distribution costs		(1,361,077)	(1,425,557)
Administrative expenses		(2,538,337)	(2,553,745)
Operating profit	6	7,781,254	6,400,288
Interest receivable and similar income		-	33,605
Profit before taxation		7,781,254	6,433,893
Tax on profit	8	(1,502,020)	(1,257,221)
Profit for the financial year		6,279,234	5,176,672

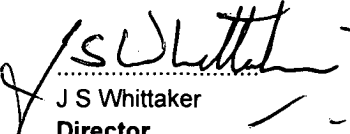
Profit for the financial year is all attributable to the owners of the parent company


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

SHEARD PROPERTIES LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		9,681,487		10,858,775
Current assets					
Stocks	14	509,884		442,644	
Debtors	15	10,117,012		8,880,896	
Cash at bank and in hand		10,946,622		6,534,747	
		21,573,518		15,858,287	
Creditors: amounts falling due within one year	16	(7,832,852)		(5,398,081)	
Net current assets			13,740,666		10,460,206
Total assets less current liabilities			23,422,153		21,318,981
Provisions for liabilities	19		(320,970)		(321,632)
Net assets			23,101,183		20,997,349
Capital and reserves					
Called up share capital	21	3,000,000		3,030,000	
Capital redemption reserve	22	33,333		3,333	
Other reserves	22	1,278		1,278	
Profit and loss reserves	22	20,066,572		17,962,738	
Total equity			23,101,183		20,997,349

The financial statements were approved by the board of directors and authorised for issue on 11/10/18 and are signed on its behalf by:


J S Whittaker
Director

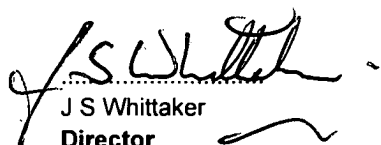

B Whittaker
Director

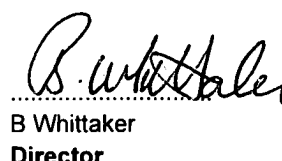
SHEARD PROPERTIES LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11	3,650,902		3,729,374	
Investments	12	4,000,000		4,000,000	
		7,650,902		7,729,374	
Current assets					
Cash at bank and in hand		9,918,738		5,453,772	
Creditors: amounts falling due within one year	16	(2,551,562)		(1,254,036)	
Net current assets		7,367,176		4,199,736	
Total assets less current liabilities		15,018,078		11,929,110	
Provisions for liabilities	19	(51,210)		(48,684)	
Net assets		14,966,868		11,880,426	
Capital and reserves					
Called up share capital	21	3,000,000		3,030,000	
Capital redemption reserve	22	33,333		3,333	
Profit and loss reserves	22	11,933,535		8,847,093	
Total equity		14,966,868		11,880,426	

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit and total comprehensive income for the year was £7,261,842 (2017 - £10,357,038 profit and total comprehensive income).

The financial statements were approved by the board of directors and authorised for issue on 21/10/18 and are signed on its behalf by:


J S Whittaker
Director


B Whittaker
Director

SHEARD PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 May 2016		3,030,000	3,333	1,278	14,834,066	17,868,677
Year ended 30 April 2017:						
Profit and total comprehensive income for the year		-	-	-	5,176,672	5,176,672
Dividends	9	-	-	-	(2,048,000)	(2,048,000)
Balance at 30 April 2017		3,030,000	3,333	1,278	17,962,738	20,997,349
Year ended 30 April 2018:						
Profit and total comprehensive income for the year		-	-	-	6,279,234	6,279,234
Dividends	9	-	-	-	(4,175,400)	(4,175,400)
Redemption of shares	21	(30,000)	30,000	-	-	-
Balance at 30 April 2018		3,000,000	33,333	1,278	20,066,572	23,101,183

SHEARD PROPERTIES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2016		3,030,000	3,333	538,055	3,571,388
Year ended 30 April 2017:					
Profit and total comprehensive income for the year		-	-	10,357,038	10,357,038
Dividends	9	-	-	(2,048,000)	(2,048,000)
Balance at 30 April 2017		3,030,000	3,333	8,847,093	11,880,426
Year ended 30 April 2018:					
Profit and total comprehensive income for the year		-	-	7,261,842	7,261,842
Dividends	9	-	-	(4,175,400)	(4,175,400)
Redemption of shares	21	(30,000)	30,000	-	-
Balance at 30 April 2018		3,000,000	33,333	11,933,535	14,966,868

SHEARD PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	27	9,757,954		6,102,898	
Income taxes paid		(1,203,254)		(938,522)	
Net cash inflow from operating activities		<u>8,554,700</u>		<u>5,164,376</u>	
Investing activities					
Purchase of tangible fixed assets		(182,328)		(3,599,156)	
Interest received		-		33,605	
Net cash used in investing activities		<u>(182,328)</u>		<u>(3,565,551)</u>	
Financing activities					
Movement in directors' loan accounts		214,903		(205,132)	
Dividends paid to equity shareholders		(4,175,400)		(2,048,000)	
Net cash used in financing activities		<u>(3,960,497)</u>		<u>(2,253,132)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>4,411,875</u>		<u>(654,307)</u>	
Cash and cash equivalents at beginning of year		6,534,747		7,189,054	
Cash and cash equivalents at end of year		<u><u>10,946,622</u></u>		<u><u>6,534,747</u></u>	

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Sheard Properties Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Solar Works, Calder Street, Greetland, Halifax, West Yorkshire, HX4 8AQ.

The group consists of Sheard Properties Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the large and medium sized companies and groups (Accounts and Reports Regulations) 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements.

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel
- Section 33 'Related Party Disclosures' – Disclosure of transactions between group companies

These disclosures are given on a consolidated basis.

Basis of consolidation

The consolidated financial statements incorporate those of Sheard Properties Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 30 April 2018.

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

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue to meet its liabilities for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the period, less returns received, sales rebates and trade discounts, at selling price exclusive of Value Added Tax. Sales are recognised when the goods are despatched, which is the point at which the group and company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

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

Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and machinery	10% - 50% straight line
Fixtures, fittings and equipment	20% - 50% straight line
Motor vehicles	20% - 33% straight line

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

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Stocks

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other payables, and balances due to group companies and Directors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Stock impairment

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotion, competitive and economic environment and inventory loss trends.

Useful economic lives of property, plant and equipment

The company estimates the residual value of plant, property and equipment, this estimation affects the rate of depreciation applied to the individual assets. The company uses past experience and knowledge of current market conditions to ensure the estimation is accurate.

Group properties

The directors have considered the group's properties in light of FRS102 and do not consider that any properties meet the definition of an investment property as all are used in the group's trading activities.

Key sources of estimation uncertainty

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

Bad debt provision

Trade debtors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. The directors make estimates as to the recoverability of these debts and provide for them accordingly.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Sale of goods	48,474,450	44,375,848

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Other revenue		
Interest income	-	33,605
	<u> </u>	<u> </u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	45,299,407	41,144,877
Overseas	3,175,043	3,230,971
	<u> </u>	<u> </u>
	48,474,450	44,375,848
	<u> </u>	<u> </u>

4 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Production staff	155	150	-	-
Distribution staff	38	36	-	-
Administrative staff	21	14	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	214	200	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	5,648,634	5,248,306	34,082	36,645
Social security costs	511,960	492,703	-	-
Pension costs	150,173	175,273	20,000	18,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	6,310,767	5,916,282	54,082	54,645
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The above amounts in the company include £40,763 (2017: £38,442) borne on behalf of the subsidiary trading company, relating to personnel principally employed in the subsidiary company and not included in the company employee numbers above.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	22,497	21,848

6 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,359,616	1,068,069
Amortisation of intangible assets	-	2
Cost of stocks recognised as an expense	28,868,823	26,626,497
Operating lease charges	457,259	460,826

7 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the financial statements of the company's subsidiaries	10,750	10,500
	14,750	14,500
For other services		
Taxation compliance services	3,100	3,000
All other non-audit services	6,325	6,000
	9,425	9,000

8 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	1,506,564	1,254,101
Adjustments in respect of prior periods	(3,882)	(41,360)
Total current tax	1,502,682	1,212,741

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

8 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(893)	(15,126)
Adjustment in respect of prior periods	231	59,606
	<u>(662)</u>	<u>44,480</u>
Total deferred tax		
	<u>(662)</u>	<u>44,480</u>
Total tax charge for the year	1,502,020	1,257,221
	<u>1,502,020</u>	<u>1,257,221</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	7,781,254	6,433,893
	<u>7,781,254</u>	<u>6,433,893</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.92%)	1,478,438	1,281,490
Tax effect of expenses that are not deductible in determining taxable profit	12,003	7,996
Tax effect of income not taxable in determining taxable profit	-	(697)
Adjustments in respect of prior years	(3,869)	(41,360)
Permanent capital allowances in excess of depreciation	12,386	-
Deferred tax adjustments in respect of prior years	231	28,805
Tax chargeable at different rates	93	(22,606)
Fixed asset differences	2,738	3,593
	<u>1,502,020</u>	<u>1,257,221</u>
Taxation charge for the year	1,502,020	1,257,221
	<u>1,502,020</u>	<u>1,257,221</u>

The Chancellor stated his intention to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. This change was enacted on 6 September 2016.

9 Dividends

	2018 £	2017 £
Final paid	4,175,400	2,048,000
	<u>4,175,400</u>	<u>2,048,000</u>

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2017 and 30 April 2018	2,229,566
Amortisation and impairment	
At 1 May 2017 and 30 April 2018	2,229,566
Carrying amount	
At 30 April 2017 and 30 April 2018	-

The company had no intangible fixed assets at 30 April 2018 or 30 April 2017.

11 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2017	4,485,592	16,632,891	1,488,072	428,551	23,035,106
Additions	-	81,098	81,730	19,500	182,328
Disposals	-	(2,100)	-	-	(2,100)
At 30 April 2018	4,485,592	16,711,889	1,569,802	448,051	23,215,334
Depreciation and impairment					
At 1 May 2017	756,218	10,336,712	763,255	320,146	12,176,331
Depreciation charged in the year	78,472	1,126,647	120,026	34,471	1,359,616
Eliminated in respect of disposals	-	(2,100)	-	-	(2,100)
At 30 April 2018	834,690	11,461,259	883,281	354,617	13,533,847
Carrying amount					
At 30 April 2018	3,650,902	5,250,630	686,521	93,434	9,681,487
At 30 April 2017	3,729,374	6,296,179	724,817	108,405	10,858,775

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

11 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 May 2017 and 30 April 2018	4,485,592	7,506	4,493,098
Depreciation and impairment			
At 1 May 2017	756,218	7,506	763,724
Depreciation charged in the year	78,472	-	78,472
At 30 April 2018	834,690	7,506	842,196
Carrying amount			
At 30 April 2018	3,650,902	-	3,650,902
At 30 April 2017	3,729,374	-	3,729,374

12 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	13	-	-	4,000,000	4,000,000

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 May 2017 and 30 April 2018	4,000,000
Carrying amount	
At 30 April 2018	4,000,000
At 30 April 2017	4,000,000

13 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
S Sheard & Son Limited	UK	Corrugated carton manufacturer	Ordinary	100.00 -

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

14 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	499,884	432,644	-	-
Work in progress	10,000	10,000	-	-
	<u>509,884</u>	<u>442,644</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	9,788,288	8,587,872	-	-
Other debtors	55	1,502	-	-
Prepayments and accrued income	328,669	291,522	-	-
	<u>10,117,012</u>	<u>8,880,896</u>	<u>-</u>	<u>-</u>

16 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	3,639,095	2,742,306	-	-
Amounts due to group undertakings	-	-	562,000	562,000
Corporation tax payable	823,702	524,274	76,800	86,069
Other taxation and social security	782,590	710,826	25,651	26,477
Other creditors	1,887,111	579,490	1,887,111	579,490
Accruals and deferred income	700,354	841,185	-	-
	<u>7,832,852</u>	<u>5,398,081</u>	<u>2,551,562</u>	<u>1,254,036</u>

17 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	9,788,343	8,589,374	-	-
Equity instruments measured at cost less impairment	-	-	4,000,000	4,000,000
	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>
Carrying amount of financial liabilities				
Measured at amortised cost	6,226,560	4,162,981	2,449,111	1,141,490
	<u>6,226,560</u>	<u>4,162,981</u>	<u>2,449,111</u>	<u>1,141,490</u>

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

18 Provisions for liabilities

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Deferred tax liabilities	19	320,970	321,632	51,210	48,684

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	322,708	321,632
Tax losses	(1,738)	-
	<u>320,970</u>	<u>321,632</u>
	Liabilities 2018 £	Liabilities 2017 £
Company		
Accelerated capital allowances	<u>51,210</u>	<u>48,684</u>
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 May 2017	321,632	48,684
(Credit)/charge to profit or loss	(662)	2,526
Liability at 30 April 2018	<u>320,970</u>	<u>51,210</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

20 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>150,173</u>	<u>175,273</u>

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

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

21 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
753,012 Ordinary "A" shares of £1 (2017: 1p) each	753,012	753,012
0 (2017: 753,012) Ordinary "A 2013" shares of £1 each	-	753,012
753,012 Ordinary "B" shares of £1 (2017: 1p) each	753,012	100,000
0 (2017: 753,012) Ordinary "B 2013" shares of £1 each	-	753,012
100,000 Ordinary "C" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "C 2013" shares of £1 each	-	100,000
100,000 Ordinary "D" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "D 2013" shares of £1 each	-	100,000
100,000 Ordinary "E" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "E 2013" shares of £1 each	-	100,000
100,000 Ordinary "F" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "F 2013" shares of £1 each	-	100,000
446,988 Ordinary "G" shares of £1 (2017: 1p) each	446,988	4,470
0 (2017: 446,988) Ordinary "G 2013" shares of £1 each	-	446,988
446,988 Ordinary "H" shares of £1 (2017: 1p) each	446,988	4,470
0 (2017: 446,988) Ordinary "H 2013" shares of £1 each	-	446,988
100,000 Ordinary "J" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "J 2013" shares of £1 each	-	100,000
100,000 Ordinary "K" shares of £1 (2017: 1p) each	100,000	1,000
0 (2017: 100,000) Ordinary "K 2013" shares of £1 each	-	100,000
	<u>3,000,000</u>	<u>3,030,000</u>

On 6 December 2017, 753,012 £1 "A 2013" Ordinary shares were re-designated as £1 "A" Ordinary shares; 753,012 £1 "B 2013" Ordinary shares were re-designated as £1 "B" Ordinary shares; 100,000 £1 "C 2013" Ordinary shares were re-designated as £1 "C" Ordinary shares; 100,000 £1 "D 2013" Ordinary shares were re-designated as £1 "D" Ordinary shares; 100,000 £1 "E 2013" Ordinary shares were re-designated as £1 "E" Ordinary shares; 100,000 £1 "F 2013" Ordinary shares were re-designated as £1 "F" Ordinary shares; 446,988 £1 "G 2013" Ordinary shares were re-designated as £1 "G" Ordinary shares; 446,988 £1 "H 2013" Ordinary shares were re-designated as £1 "H" Ordinary shares; 100,000 £1 "J 2013" Ordinary shares were re-designated as £1 "J" Ordinary shares; 100,000 £1 "K 2013" Ordinary shares were re-designated as £1 "K" Ordinary shares.

On 30 January 2018, 7,530 1p "A" Ordinary shares; 7,530 1p "B" Ordinary shares; 1,000 1p "C" Ordinary shares; 1,000 1p "D" Ordinary shares; 1,000 1p "E" Ordinary shares; 1,000 1p "F" Ordinary shares; 4,470 1p "G" Ordinary shares; 4,470 1p "H" Ordinary shares; 1,000 1p "J" Ordinary shares; 1,000 1p "K" Ordinary shares were cancelled.

The "A 2013" Ordinary shares, "B 2013" Ordinary shares, "C 2013" Ordinary shares, "D 2013" Ordinary shares, "E 2013" Ordinary shares, "F 2013" Ordinary shares, "G 2013" Ordinary shares and "H 2013" Ordinary shares have the right to receive dividends and the right to participate in capital returns, but carry no voting rights.

The "A" Ordinary shares, "B" Ordinary shares, "C" Ordinary shares, "D" Ordinary shares, "E" Ordinary shares, "F" Ordinary shares, "G" Ordinary shares, "H" Ordinary shares, "J" Ordinary shares, "J 2013" Ordinary shares, "K" Ordinary shares and "K 2013" Ordinary shares have full voting rights and the right to participate in capital returns, but do not have the right to receive dividends.

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

22 Reserves

Capital redemption reserve

The nominal value of shares cancelled at the end of the reporting period.

Profit and loss reserves

Profit and loss reserves represent earnings net of distributions to the owners.

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	406,912	467,754	-	-
Between one and five years	487,832	373,523	-	-
	<u>894,744</u>	<u>841,277</u>	<u>-</u>	<u>-</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Acquisition of tangible fixed assets	<u>209,000</u>	<u>100,612</u>	<u>-</u>	<u>-</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2018 £	2017 £
Aggregate compensation	<u>478,787</u>	<u>501,678</u>

Included within creditors is an amount of £586,873 (2017: £101,969) owed to J S and B Whittaker. During the year the group made payments of £785,097 (2017: £705,133) to these directors. Amounts of £1,300,238 (2017: £477,520) were owed to close family members. Dividends received by the directors and close family members totalled £4,175,400 (2017: £2,048,000).

SHEARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

26 Controlling party

The ultimate controlling parties were J S Whittaker and B Whittaker during the current and the prior year.

27 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	6,279,234	5,176,672
Adjustments for:		
Taxation charged	1,502,020	1,257,221
Investment income	-	(33,605)
Amortisation and impairment of intangible assets	-	2
Depreciation and impairment of tangible fixed assets	1,359,616	1,068,069
Movements in working capital:		
(Increase) in stocks	(67,240)	(4,928)
(Increase) in debtors	(1,236,116)	(501,323)
Increase/(decrease) in creditors	1,920,440	(859,210)
Cash generated from operations	9,757,954	6,102,898