

Company registration number 10963275 (England and Wales)

SBD GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SBD GROUP LIMITED

COMPANY INFORMATION

Director	Mr B Banks
Company number	10963275
Registered office	Unit 2B Lanchester Way Catcliffe Rotherham England S60 5FX
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD

SBD GROUP LIMITED

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SBD GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The director presents the strategic report for the year ended 31 March 2023.

Review of the business

The year ending 31 March 2023 was another successful year for the group, and also a year in which we laid the foundations to achieve our vision to be the global leader in strength sports. In particular we completed the following milestones:

1. The construction of the new UK headquarters was on the cusp of completion at the year end. We finished the movement of material, machinery and people in early April and vacated all previous UK premises. Our 100,000sqft purpose-built facility on the Advanced Manufacturing Park will enable us to greatly increase product output and diversify, ensuring that all future SBD products continue to be made in the UK.
2. We held the inaugural SBD Sheffield Powerlifting Championships in March 2023. This groundbreaking event redefined competitive powerlifting as a spectator sport and gave elite athletes an aspirational stage to showcase their abilities.
3. We merged SBD Manufacturing Limited into SBD Apparel Limited bringing the UK workforce under one entity to complement bringing everyone under the same roof for the first time. Before we did this, we dramatically increased our production staff count and reshaped role progression to give staff members a clear pathway to better paid, more skilled roles; allowing us to refine our recruitment, training and retention strategy.
4. We held our first retailer summit. This annual event is designed to enable our international retailers to fully engage with the brand and share best practices so that each retailer is empowered to drive the brand forward in their domestic market. Aligning our retailers with our vision is critical for the group as they are well positioned to support the growth of strength sports within their domestic market and contribute to the continued development of national associations and federations.
5. We entered into a new long-term partnership with the European Powerlifting Federation, to complement our long-term partnerships with the International Powerlifting Federation and 18 national powerlifting federations worldwide. These commitments allow both sides the security to invest in the development and growth of the sport.
6. We have maintained our relationship with the World's Strongest Man event, which offers prominent brand exposure as the titular sponsor through worldwide broadcasts, online coverage and the in-person competition.

SBD GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Key Performance Indicators

The group's key financial indicators during the year were as follows:

Turnover £19,493,338 (2022 - £13,993,676)

Turnover growth 39.3% (2022 - 45.1%)

Gross profit margin 46.1% (2022 - 48.3%)

Profit before tax 18.7% (2022 - 21.7%)

Turnover grew organically within existing markets, from the establishment of new national retailers and from the launch of our summer and winter limited editions. The increased supply of product enabled by the expansion of our workforce was key to the delivery of our turnover growth. Demand for our core product range remained strong in all markets and the transition into our new premises allows us to continue to expand our manufacturing output to meet demand. We released two limited edition launches - Defy in the summer and Phantom in the winter - which successfully contributed to overall revenue growth.

This year was widely characterised by increasing domestic interest rates, wage demands and energy price increases that fed through to all supply sectors. We were not immune to these factors, particularly in wage growth, but held our prices with no increases passed to customers. This was a commercial decision taken to maintain brand momentum and give our international retailers confidence when placing orders. Pressure on gross profit was also helped in part by the continued growth of our US subsidiary and the significant fall in the value of the Pound in the period, yielding higher group turnover from US sales. Therefore, despite considerable inflationary pressures, the group was able to maintain gross profit within 2.2% of the previous period, whilst maintaining retail prices.

Headline profit before tax reduced slightly from the previous year as a result of the significant long-term projects undertaken during the financial year. The key investments included operating costs associated with running two sites ahead of the transition to our new headquarters, expanding our management team and marketing department, and supporting the continued growth of strength sports, including the SBD Sheffield Powerlifting Championships. The impact of these investments will support the continued long-term growth of both the group and the strength sports community and form an integral part of delivering our vision.

Principal Risks and Uncertainties

The group is vertically integrated, and as the business grows the management team is aware of the potential concentration risk with key stakeholders and are proactively taking steps to mitigate those risks. In addition, the group continues to maintain comfortable levels of both raw materials and finished products to maintain production and distribution.

Whilst we are not an energy intensive business, we were negatively impacted by the war in Ukraine and the subsequent surge in wholesale energy prices. We make use of fixed term pricing contracts to manage our exposure to the cost of energy, within the limitations of the timing of renewal and market conditions at that time.

With an alternative of what at the time appeared to be a high fixed rate, we entered a variable mortgage for the new headquarters on the expectation of a peak in Bank rate. This expectation has yet to be realised as inflation has not decreased, and the Bank of England has elected to maintain a high interest rate position. We are therefore carrying a higher than desired interest cost on our debt burden and are exposed to any further rate increases.

The extreme volatility of currency markets did not negatively impact the group as we had in place effective internal and external hedges as well as full control of our US subsidiary. These tools remain at our disposal and so further weakness of the Pound can be managed. As our retailers pay in GBP, a resurgence in the Pound would not negatively affect us but may necessitate retail price rises in local currencies.

The greatest risk we see is internal as we evolve from a small disrupting brand into a larger established entity. The management is mindful that the group must stay true to the founding principles of quality, accessibility, and support for the strength sports community.

SBD GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Future Developments

The 12 months following the year end will bring a period of consolidation and expansion within the business as we bring all staff and processes together under one roof before looking to increase our headcount and production output further. Staff headcount exceeded 200 in October 2023 and we will begin a further recruitment drive in Q2 2024. We will also be launching new products to market that were previously not possible with our limited manufacturing space and capacity. A significant investment in design, R&D and plant will be required to bring our forthcoming ideas and concepts to fruition. This investment in our product development and release of new products to market are key to achieving our vision.

With our enhanced product range and production capacity we will continue to expand internationally, particularly to new regions which are currently not served by an SBD retailer.

We will continue to invest heavily in the wellbeing of the workforce, a key part of which is the staff canteen which provides a fully subsidised breakfast and lunch to all staff. We see the canteen as a significant tool to help with the ongoing pressures on household finances and to boost the nutritional health of our employees. It also provides a valuable tool to help attract and retain quality employees within the business. Staff wellbeing will be further enhanced with the opening of the SBD Strength Centre which employees will be able to use without charge.

In the last 12 months we have actively engaged with the local business community and have been delighted to win awards from local Chambers of Commerce for our achievements. We will continue to develop these links and will be looking to expand our outreach through engagement with local schools, colleges, universities, and charities. We are mindful of the CSR expectations associated with a growing company and will be actively looking for opportunities to support local causes by utilising our headquarters and the expertise of our workforce.

Finally, we will continue in our role as a core supporter and collaborator with sporting federations and the promoters of strength sports events. It is through these associations that we can make a positive, impactful difference to all strength sports. We will build on the success of the SBD Sheffield Powerlifting Championships to make the event a solid fixture in the sporting calendar and a jewel in the crown for the region.

On behalf of the board

Mr B Banks
Director

21 December 2023

SBD GROUP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The director presents his annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of a holding company. The activities of the group are shown in the notes to the accounts.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £250,000. The director does not recommend payment of a further dividend.

Director

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

Mr B Banks

Statement of disclosure to auditor

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

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr B Banks

Director

21 December 2023

SBD GROUP LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

The director is 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. He is 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.

SBD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBD GROUP LIMITED

Opinion

We have audited the financial statements of SBD Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

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

SBD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SBD GROUP LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 director

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the powerlifting and bodybuilding sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

SBD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SBD GROUP LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in the accounts were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

Other matters

The comparative figures have not been audited.

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.

Paul Winwood (Senior Statutory Auditor)
For and on behalf of BHP LLP

21 December 2023

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

SBD GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	19,493,338	13,993,676
Cost of sales		(10,514,772)	(7,235,600)
Gross profit		8,978,566	6,758,076
Administrative expenses		(6,243,528)	(3,831,761)
Other operating income		675,357	736,764
Operating profit	4	3,410,395	3,663,079
Interest receivable and similar income	8	1,010	40,357
Interest payable and similar expenses	9	(248,154)	(67,307)
Profit before taxation		3,163,251	3,636,129
Tax on profit	10	(422,155)	(598,283)
Profit for the financial year		2,741,096	3,037,846
Other comprehensive income			
Currency translation gain taken to retained earnings		20,443	-
Total comprehensive income for the year		2,761,539	3,037,846

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.

SBD GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		12,887,040		5,276,381
Current assets					
Stocks	16	3,533,594		3,214,217	
Debtors	17	1,332,129		781,607	
Cash at bank and in hand		703,817		635,092	
		<u>5,569,540</u>		<u>4,630,916</u>	
Creditors: amounts falling due within one year	18	<u>(3,452,049)</u>		<u>(2,743,556)</u>	
Net current assets			2,117,491		1,887,360
Total assets less current liabilities			<u>15,004,531</u>		<u>7,163,741</u>
Creditors: amounts falling due after more than one year	19		(6,075,251)		(1,050,000)
Provisions for liabilities					
Deferred tax liability	21	545,000		241,000	
		<u>(545,000)</u>		<u>(241,000)</u>	
Net assets			<u>8,384,280</u>		<u>5,872,741</u>
Capital and reserves					
Called up share capital	25		2,226		2,226
Share premium account			73,687		73,687
Profit and loss reserves			8,308,367		5,796,828
Total equity			<u>8,384,280</u>		<u>5,872,741</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved and signed by the director and authorised for issue on 21 December 2023

Mr B Banks
Director

Company registration number 10963275 (England and Wales)

SBD GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13	11,897,889		4,793,669	
Investments	14	1,202		1,202	
		<u>11,899,091</u>		<u>4,794,871</u>	
Current assets					
Debtors	17	85,736		9	
Cash at bank and in hand		137,222		46,418	
		<u>222,958</u>		<u>46,427</u>	
Creditors: amounts falling due within one year	18	<u>(5,652,689)</u>		<u>(4,008,875)</u>	
Net current liabilities			<u>(5,429,731)</u>		<u>(3,962,448)</u>
Total assets less current liabilities			<u>6,469,360</u>		<u>832,423</u>
Creditors: amounts falling due after more than one year	19		<u>(5,325,251)</u>		-
Provisions for liabilities					
Deferred tax liability	21	<u>495,000</u>		<u>202,500</u>	
			<u>(495,000)</u>		<u>(202,500)</u>
Net assets			<u>649,109</u>		<u>629,923</u>
Capital and reserves					
Called up share capital	25		2,226		2,226
Share premium account			16,271		16,271
Profit and loss reserves			630,612		611,426
Total equity			<u>649,109</u>		<u>629,923</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £269,186 (2022 - £530,975 profit).

The financial statements were approved and signed by the director and authorised for issue on 21 December 2023

Mr B Banks
Director

Company Registration No. 10963275

SBD GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2021		2,400	57,416	3,278,742	3,338,558
Year ended 31 March 2022:					
Profit and total comprehensive income		-	-	3,037,846	3,037,846
Issue of share capital	25	66	16,271	-	16,337
Dividends	11	-	-	(250,000)	(250,000)
Own shares acquired		-	-	(269,760)	(269,760)
Reduction of shares	25	(240)	-	-	(240)
Balance at 31 March 2022		2,226	73,687	5,796,828	5,872,741
Year ended 31 March 2023:					
Profit for the year		-	-	2,741,096	2,741,096
Other comprehensive income:					
Currency translation differences		-	-	20,443	20,443
Total comprehensive income		-	-	2,761,539	2,761,539
Dividends	11	-	-	(250,000)	(250,000)
Balance at 31 March 2023		2,226	73,687	8,308,367	8,384,280

SBD GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 April 2021	2,400	-	600,211	602,611
Year ended 31 March 2022:				
Profit and total comprehensive income for the year	-	-	530,975	530,975
Issue of share capital	25	66	16,271	16,337
Dividends	11	-	(250,000)	(250,000)
Own shares acquired		-	(269,760)	(269,760)
Reduction of shares	25	(240)	-	(240)
Balance at 31 March 2022	2,226	16,271	611,426	629,923
Year ended 31 March 2023:				
Profit and total comprehensive income	-	-	269,186	269,186
Dividends	11	-	(250,000)	(250,000)
Balance at 31 March 2023	2,226	16,271	630,612	649,109

SBD GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27	3,545,607		4,400,564	
Interest paid		(248,154)		(67,307)	
Income taxes paid		(154,588)		(407,679)	
		<u>3,142,865</u>		<u>3,925,578</u>	
Net cash inflow from operating activities					
Investing activities					
Purchase of tangible fixed assets		(7,849,045)		(3,115,909)	
Interest received		1,010		40,357	
		<u>(7,848,035)</u>		<u>(3,075,552)</u>	
Net cash used in investing activities					
Financing activities					
Proceeds from issue of shares		-		16,337	
Redemption of shares		-		(240)	
Purchase of own shares		-		(269,760)	
Repayment of borrowings		132		113,939	
Proceeds from new bank loans		5,492,772		500,000	
Repayment of bank loans		(489,452)		(960,548)	
Dividends paid to equity shareholders		(250,000)		(250,000)	
		<u>4,753,452</u>		<u>(850,272)</u>	
Net cash generated from/(used in) financing activities					
Net increase/(decrease) in cash and cash equivalents					
		48,282		(246)	
Cash and cash equivalents at beginning of year		635,092		635,338	
Effect of foreign exchange rates		20,443		-	
		<u>703,817</u>		<u>635,092</u>	
Cash and cash equivalents at end of year					

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

SBD Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of SBD Group Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company SBD Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

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

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

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	20% Straight Line
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1.8 Tangible fixed assets

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

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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

Leasehold land and buildings	20% Straight Line
Plant and equipment	20% Straight Line
Fixtures and fittings	20% Straight Line
Computers	20% 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 recognised in the profit and loss account.

1.9 Fixed asset investments

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

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

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 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.

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.14 Equity instruments

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

1.15 Taxation

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

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.16 Employee benefits

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

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

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

1.17 Retirement benefits

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

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Monte Carlo method. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.19 Leases

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

1.20 Government grants

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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.

EMI option valuations

Where options have been issued to certain individuals, the directors are required to value those options in accordance with financial reporting standards. Where a recent transaction price is not available a suitable valuation technique is required instead to value those options at their fair value. Inherently in this assessment of fair value the directors are required to make assumptions on inputs into the pricing model and the assessment of any non-market vesting conditions. These factors therefore, represent aspects that have a higher degree of management judgment impacting the financial statements.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Sales of product and royalty fees	19,493,338	13,993,676
	<u> </u>	<u> </u>
	2023	2022
	£	£
Other revenue		
Interest income	1,010	40,357
Grants received	627,445	731,710
	<u> </u>	<u> </u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue (Continued)

The group makes sales on a retail basis via its ecommerce platform in the UK and USA. Globally, the group has unconnected authorised distributors in over 40 countries who sell SBD products on a retail basis within their territory. In regions where the group does not have a local distributor in place, customers are able to place orders via the UK ecommerce platform. More information on the regional distributors can be found at <https://sbdapparel.com/pages/retailers>. There is no disclosure of turnover split by sale type or geographical region as in the opinion of the director this information is deemed to be commercially sensitive.

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	48,996	(13,800)
Research and development costs	4,583	399
Government grants	(627,445)	(731,710)
Depreciation of owned tangible fixed assets	238,386	142,726
Amortisation of intangible assets	-	7,586
(Profit)/loss on disposal of intangible assets	-	137
Operating lease charges	53,273	51,225
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	12,000	14,050
Audit of the financial statements of the company's subsidiaries	21,650	23,600
	<u> </u>	<u> </u>
	33,650	37,650
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	4,750	4,750
	<u> </u>	<u> </u>

6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Production	101	63	-	-
Management / Administration	34	45	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	135	108	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Wages and salaries	3,730,332	2,675,634	-	-
Social security costs	337,414	193,282	-	-
Pension costs	103,424	68,165	-	-
	<u>4,171,170</u>	<u>2,937,081</u>	<u>-</u>	<u>-</u>

7 Director's remuneration

	2023	2022
	£	£
Remuneration for qualifying services	75,000	60,421
Company pension contributions to defined contribution schemes	20,000	10,000
	<u>95,000</u>	<u>70,421</u>

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	1,010	40,357
	<u>1,010</u>	<u>40,357</u>
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	1,010	40,357
	<u>1,010</u>	<u>40,357</u>

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	237,322	39,835
Other interest on financial liabilities	2,448	27,472
	<u>239,770</u>	<u>67,307</u>
Other finance costs:		
Other interest	8,384	-
Total finance costs	<u>248,154</u>	<u>67,307</u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Taxation	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	-	296,833
Adjustments in respect of prior periods	(73,712)	-
Total UK current tax	<u>(73,712)</u>	<u>296,833</u>
Foreign current tax on profits for the current period	191,867	121,738
Total current tax	<u>118,155</u>	<u>418,571</u>
Deferred tax		
Origination and reversal of timing differences	<u>304,000</u>	<u>179,712</u>
Total tax charge	<u>422,155</u>	<u>598,283</u>

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

	2023	2022
	£	£
Profit before taxation	<u>3,163,251</u>	<u>3,636,129</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	601,018	690,865
Tax effect of expenses that are not deductible in determining taxable profit	169,513	94,392
Tax effect of income not taxable in determining taxable profit	(161,810)	(232,619)
Adjustments in respect of prior years	(73,712)	-
Other non-reversing timing differences	(705)	2,062
Other permanent differences	42,573	46,179
Fixed asset differences	(134,700)	(19,054)
Remeasurement of deferred tax for changes in tax rates	23,640	44,328
Movement in deferred tax not recognised	3,412	(1,375)
Adjustment to losses	(47,074)	(26,495)
Taxation charge	<u>422,155</u>	<u>598,283</u>
11 Dividends		
Recognised as distributions to equity holders:	£	£
Interim paid	<u>250,000</u>	<u>250,000</u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Intangible fixed assets

Group	Software £
Cost	
At 1 April 2022 and 31 March 2023	15,725
Amortisation and impairment	
At 1 April 2022 and 31 March 2023	15,725
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

13 Tangible fixed assets

Group	Leasehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	242,483	4,793,669	526,554	343,461	46,907	5,953,074
Additions	26,589	7,104,220	406,706	276,138	35,392	7,849,045
At 31 March 2023	269,072	11,897,889	933,260	619,599	82,299	13,802,119
Depreciation and impairment						
At 1 April 2022	57,873	-	294,298	286,170	38,352	676,693
Depreciation charged in the year	55,296	-	103,177	35,874	44,039	238,386
At 31 March 2023	113,169	-	397,475	322,044	82,391	915,079
Carrying amount						
At 31 March 2023	155,903	11,897,889	535,785	297,555	(92)	12,887,040
At 31 March 2022	184,610	4,793,669	232,256	57,291	8,555	5,276,381

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets (Continued)

Company	Assets under construction £
Cost	
At 1 April 2022	4,793,669
Additions	7,104,220
	<hr/>
At 31 March 2023	11,897,889
	<hr/>
Depreciation and impairment	
At 1 April 2022 and 31 March 2023	-
	<hr/>
Carrying amount	
At 31 March 2023	11,897,889
	<hr/> <hr/>
At 31 March 2022	4,793,669
	<hr/> <hr/>

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	1,202	1,202
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022 and 31 March 2023	1,202
	<hr/>
Carrying amount	
At 31 March 2023	1,202
	<hr/> <hr/>
At 31 March 2022	1,202
	<hr/> <hr/>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
SBD Apparel Limited	1	Ordinary	100.00
SBD Manufacturing Limited	2	Ordinary	100.00
SBD Apparel USA. Inc	3	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 Unit 2b Lanchester Way, Catcliffe, Rotherham, England, S60 5FX
- 2 Unit 2b Lanchester Way, Catcliffe, Rotherham, England, S60 5FX
- 3 1135 Hammond Street, Bangor, ME 04001, USA

16 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	1,564,820	1,240,022	-	-
Finished goods and goods for resale	1,968,774	1,974,195	-	-
	<u>3,533,594</u>	<u>3,214,217</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	680,173	362,041	-	-
Other debtors	306,403	298,738	84,738	9
Prepayments and accrued income	345,553	120,828	998	-
	<u>1,332,129</u>	<u>781,607</u>	<u>85,736</u>	<u>9</u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	20	467,521	489,452	167,521	-
Other borrowings	20	114,071	113,939	114,071	113,939
Trade creditors		1,373,848	336,037	354,139	-
Amounts owed to group undertakings		-	-	4,838,635	2,969,907
Corporation tax payable		264,483	300,916	-	-
Other taxation and social security		353,338	215,644	-	-
Deferred income	22	140,845	768,290	140,845	768,290
Other creditors		48,271	183,481	-	150,000
Accruals and deferred income		689,672	335,797	37,478	6,739
		<u>3,452,049</u>	<u>2,743,556</u>	<u>5,652,689</u>	<u>4,008,875</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	20	<u>6,075,251</u>	<u>1,050,000</u>	<u>5,325,251</u>	<u>-</u>

20 Loans and overdrafts

		Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans		6,542,772	1,539,452	5,492,772	-
Other loans		114,071	113,939	114,071	113,939
		<u>6,656,843</u>	<u>1,653,391</u>	<u>5,606,843</u>	<u>113,939</u>
Payable within one year		581,592	603,391	281,592	113,939
Payable after one year		<u>6,075,251</u>	<u>1,050,000</u>	<u>5,325,251</u>	<u>-</u>

Included in bank loans are two loans. The first of which is secured by a fixed and floating charge over all assets of the company and is repayable over 5 years from October 2021 at an interest rate of 2.71% above the base rate.

The second is secured by a fixed charge over the building owned by the group. The loan is repayable 15 years after the first part of it was drawn which was July 2022 at an interest rate 2.05% over base rate.

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Deferred taxation

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

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	1,048,000	261,500
Tax losses	(503,000)	(20,500)
	<u>545,000</u>	<u>241,000</u>
	Liabilities 2023 £	Liabilities 2022 £
Company		
Accelerated capital allowances	972,000	202,500
Tax losses	(477,000)	-
	<u>495,000</u>	<u>202,500</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 April 2022	241,000	202,500
Charge to profit or loss	304,000	292,500
	<u>545,000</u>	<u>495,000</u>

22 Deferred income

	Group 2023 £	2022 £	Company 2023 £	2022 £
Other deferred income	140,845	768,290	140,845	768,290
	<u>140,845</u>	<u>768,290</u>	<u>140,845</u>	<u>768,290</u>

Deferred income consists of a grant in relation to the construction of new premises.

This is recognised in line with the specific requirements of the grant.

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	103,424	68,165

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.

24 Share-based payment transactions

Group	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 April 2022	1,793	2,324	35.98	24.79
Granted	243	360	89.21	80.52
Exercised	-	(659)	-	24.79
Expired	-	(232)	-	24.79
Outstanding at 31 March 2023	<u>2,036</u>	<u>1,793</u>	<u>42.33</u>	<u>35.98</u>
Exercisable at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2023 had an exercise price ranging from £24.79 to £89.21, and a remaining contractual life of 1-3 years.

EMI Share options are awarded to key personnel to incentivise and encourage their long-term commitment to the group. Management is required to use an appropriate pricing model to value the issue of equity to employees or those providing similar services. Fair value is measured by use of an appropriate option pricing model with the value of each tranche of share options considered separately at the date of grant. Any charge to the profit at loss account in respect of the options is a function of the model.

25 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 10p each	<u>22,259</u>	<u>22,259</u>	<u>2,226</u>	<u>2,226</u>

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Acquisition of tangible fixed assets	<u>259,032</u>	<u>6,457,846</u>	<u>259,032</u>	<u>6,457,846</u>

SBD GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

27 Cash generated from group operations

	2023	2022
	£	£
Profit for the year after tax	2,741,096	3,037,846
Adjustments for:		
Taxation charged	422,155	598,283
Finance costs	248,154	67,307
Investment income	(1,010)	(40,357)
(Gain)/loss on disposal of intangible assets	-	137
Amortisation and impairment of intangible assets	-	7,586
Depreciation and impairment of tangible fixed assets	238,386	142,726
Movements in working capital:		
Increase in stocks	(319,377)	(693,441)
(Increase)/decrease in debtors	(550,522)	88,440
Increase in creditors	1,394,170	423,747
(Decrease)/increase in deferred income	(627,445)	768,290
Cash generated from operations	<u>3,545,607</u>	<u>4,400,564</u>

28 Analysis of changes in net debt - group

	1 April 2022	Cash flows	Exchange rate	31 March 2023
	£	£	movements	£
			£	
Cash at bank and in hand	635,092	48,282	20,443	703,817
Borrowings excluding overdrafts	(1,653,391)	(5,003,452)	-	(6,656,843)
	<u>(1,018,299)</u>	<u>(4,955,170)</u>	<u>20,443</u>	<u>(5,953,026)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.