

COMPANY REGISTRATION NUMBER: 00037545

Leeds and Bradford Boiler Company Limited

Financial statements

Year ended 31 March 2022



Leeds and Bradford Boiler Company Limited

Financial statements

year ended 31 March 2022

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Leeds and Bradford Boiler Company Limited

Officers and professional advisers

The board of directors

H.O. Pickard
R.D. Pickard

Company secretary

R.D. Pickard

Registered office

Beechwood Street
Stanningley
Pudsey
West Yorkshire
LS28 6PT

Auditor

Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Bankers

National Westminster Bank Plc
PO Box 154
8 Park Row
Leeds
LS1 1QS

Leeds and Bradford Boiler Company Limited

Strategic report

year ended 31 March 2022

Review of the business in the year

The principal activities of Leeds and Bradford Boiler Company Limited during the year were as an engineering concern made up of three divisions. One division, LBBC Technologies, was engaged in the development, supply and support of autoclaves and other pressure vessel related systems, the second division, LBBC Beechwood, was engaged in the provision of expertise in pressure vessel manufacturing services such as fabrication, machining and dished heads and the third division, LBBC Baskerville, was engaged in the provision of the development, supply and support of high pressure autoclaves and reactors for the research and materials testing sectors.

The results for the company for the year are a gross profit of £2,104,054 (2021: £2,038,127) and a net profit of £321,082 (2021: £889,510).

Position of the company's business at the end of the year

The company's net assets as at 31 March 2022 are £6,603,251 (2021: £7,292,169).

Principal risks and uncertainties facing the business

The markets in which the company trades remain highly competitive. The company seeks to manage the risk of losing customers to competitors by the provision of process knowledge, market leading products, added value services and world class customer service and by maintaining strong relationships and local representations with our customers.

The company makes sales and purchases of certain products in foreign currencies. The company is therefore exposed to movements in exchange rates. The Directors monitor the situation and manage the purchase of foreign currencies on a regular basis to the best advantage of the company.

The company's credit risk is primarily attributed to its trade debtors. Credit risk is managed by running credit checks on customers and by monitoring payments against contractual agreements.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections and ensures that appropriate facilities are available to be drawn as necessary.

Following comments in the 2020 and 2021 accounts, the performance of the business has continued to be affected by the Covid 19 pandemic. The actions taken over the last year ensured that the worst affects have been managed acceptably and the business remains in a strong position.

Our markets are gradually recovering, and we are optimistic for the future.

This report was approved by the board of directors on 18 October 2022 and signed on behalf of the board by:

Robert Pickard

R.D. Pickard
Company Secretary

Leeds and Bradford Boiler Company Limited

Directors' report

year ended 31 March 2022

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Directors

The directors who served the company during the year were as follows:

H.O. Pickard
R.D. Pickard

Dividends

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

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Leeds and Bradford Boiler Company Limited

Directors' report *(continued)*

year ended 31 March 2022

Auditor

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

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

Sagars Accountants Ltd is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006

This report was approved by the board of directors on 18 October 2022 and signed on behalf of the board by:

Robert Pickard

R.D. Pickard
Company Secretary

Leeds and Bradford Boiler Company Limited

Independent auditor's report to the members of Leeds and Bradford Boiler Company Limited

year ended 31 March 2022

Opinion

We have audited the financial statements of Leeds and Bradford Boiler Company Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

Leeds and Bradford Boiler Company Limited

Independent auditor's report to the members of Leeds and Bradford Boiler Company Limited *(continued)*

year ended 31 March 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Leeds and Bradford Boiler Company Limited

Independent auditor's report to the members of Leeds and Bradford Boiler Company Limited *(continued)*

year ended 31 March 2022

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income and posting of unusual journals and complex transactions. We discussed these risks with client management, designed audit procedures to test the timing of income, tested a sample of journals to confirm they were appropriate and reviewed areas of judgement for indicators of management bias to address these risks.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with the auditing standards. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Leeds and Bradford Boiler Company Limited

Independent auditor's report to the members of Leeds and Bradford Boiler Company Limited *(continued)*

year ended 31 March 2022

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

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.

Christopher Jones

Christopher W. Jones BA, FCA (Senior Statutory Auditor)
For and on behalf of
Sagars Accountants Ltd
Chartered accountants & statutory auditor
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

18 October 2022

Leeds and Bradford Boiler Company Limited

Statement of income and retained earnings

year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	8,688,790	8,360,578
Cost of sales		<u>(6,584,736)</u>	<u>(6,322,451)</u>
Gross profit		2,104,054	2,038,127
Distribution costs		(294,014)	(158,810)
Administrative expenses		(1,720,514)	(1,305,392)
Other operating income	5	<u>54,989</u>	<u>207,705</u>
Operating profit	6	144,515	781,630
Other interest receivable and similar income	10	3,716	4,295
Interest payable and similar expenses	11	<u>(148)</u>	<u>(1,566)</u>
Profit before taxation		148,083	784,359
Tax on profit	12	<u>172,999</u>	<u>105,151</u>
Profit for the financial year and total comprehensive income		<u>321,082</u>	<u>889,510</u>
Dividends paid and payable to Group Undertakings	13	<u>(1,010,000)</u>	<u>(250,000)</u>
Retained earnings at the start of the year		<u>7,237,069</u>	6,597,559
Retained earnings at the end of the year		<u>6,548,151</u>	<u>7,237,069</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

Leeds and Bradford Boiler Company Limited

Statement of financial position

31 March 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		902,986		872,313
Current assets					
Stocks	15	2,192,078		1,633,286	
Debtors	16	4,983,163		4,033,934	
Cash at bank and in hand		2,456,105		2,608,914	
		<u>9,631,346</u>		<u>8,276,134</u>	
Creditors: amounts falling due within one year	17	<u>(3,016,726)</u>		<u>(1,648,376)</u>	
Net current assets			<u>6,614,620</u>		<u>6,627,758</u>
Total assets less current liabilities			<u>7,517,606</u>		<u>7,500,071</u>
Creditors: amounts falling due after more than one year	18		(704,355)		(47,902)
Provisions	20		<u>(210,000)</u>		<u>(160,000)</u>
Net assets			<u>6,603,251</u>		<u>7,292,169</u>
Capital and reserves					
Called up share capital	24		29,058		29,058
Capital redemption reserve	25		26,042		26,042
Profit and loss account	25		<u>6,548,151</u>		<u>7,237,069</u>
Shareholders funds			<u>6,603,251</u>		<u>7,292,169</u>

These financial statements were approved by the board of directors and authorised for issue on 18 October 2022, and are signed on behalf of the board by:

Howard Pickard

H.O. Pickard
Director

Company registration number: 00037545

The notes on pages 12 to 22 form part of these financial statements.

Leeds and Bradford Boiler Company Limited

Statement of cash flows

year ended 31 March 2022

	Note	2022 £	2021 £
Cash generated from operations	26	(228,279)	656,347
Interest paid		(148)	(1,566)
Interest received		3,716	4,295
Tax received/(paid)		222,999	(194,849)
Net cash (used in)/from operating activities		<u>(1,712)</u>	<u>464,227</u>
Cash flows from investing activities			
Purchase of tangible assets		(147,203)	(524,862)
Proceeds from sale of tangible assets		11,666	10,400
Net cash used in investing activities		<u>(135,537)</u>	<u>(514,462)</u>
Cash flows from financing activities			
Proceeds from borrowings		750,000	—
Proceeds from loans from group undertakings		163,982	—
Government grant income		54,989	207,705
Payment of hire purchase liabilities		25,469	—
Dividends paid		(1,010,000)	(250,000)
Net cash used in financing activities		<u>(15,560)</u>	<u>(42,295)</u>
Net decrease in cash and cash equivalents		(152,809)	(92,530)
Cash and cash equivalents at beginning of year		2,608,914	2,701,444
Cash and cash equivalents at end of year		<u>2,456,105</u>	<u>2,608,914</u>

The notes on pages 12 to 22 form part of these financial statements.

Leeds and Bradford Boiler Company Limited

Notes to the financial statements

year ended 31 March 2022

1. General information

The principal activities of the company during the year were as an engineering concern made up of two divisions. One division, LBBC Technologies, was engaged in the development, supply and support of autoclaves and other pressure related systems and the other division, LBBC Beechwood, was engaged in the supply of subcontract services of fabrications, dished heads and large machining.

The company is a private limited company, which is incorporated in England and Wales (no. 07125853). The address of the registered office is Beechwood Street, Stanningley, Pudsey, West Yorkshire, LS28 6PT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

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

Research and development

Expenditure on research and development costs is written off in the year in which it is incurred.

Going concern

The company meets its working capital requirements through its cash reserves.

The directors prepare annual budgets and forecasts in order to ensure that they have sufficient resources in place. In addition, the Board in formulating its plan and strategy for the future development of the business has considered a period beyond that for which formal budgets and forecasts are prepared.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Details of these judgements are set out in the accounting policies.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

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

Depreciation

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

Plant and machinery	-	Over 15 years on a straight line basis
Computer and office equipment	-	Over 4 years on a straight line basis
Motor vehicles	-	25% on a reducing balance basis

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

3. Accounting policies *(continued)*

Stock and work in progress

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

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase contracts

Assets held under hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

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

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

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

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

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

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

3. Accounting policies *(continued)*

Defined contribution plans

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

4. Turnover

Turnover arises from:

	2022 £	2021 £
Sale of goods	7,429,719	7,516,754
Rendering of services	1,259,071	843,824
	<u>8,688,790</u>	<u>8,360,578</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022 £	2021 £
United Kingdom	4,098,059	3,399,001
Overseas	4,590,731	4,961,577
	<u>8,688,790</u>	<u>8,360,578</u>

5. Other operating income

	2022 £	2021 £
Government grant income	<u>54,989</u>	<u>207,705</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022 £	2021 £
Depreciation of tangible assets	106,925	101,872
Gains on disposal of tangible assets	<u>(2,061)</u>	<u>(1,401)</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>12,850</u>	<u>12,000</u>

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

8. Staff costs

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

	2022	2021
	No.	No.
Number of office & management staff	42	38
Number of manufacturing staff	37	39
	<u>79</u>	<u>77</u>

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

	2022	2021
	£	£
Wages and salaries	2,816,786	2,596,834
Social security costs	274,066	254,287
Other pension costs	149,236	142,326
	<u>3,240,088</u>	<u>2,993,447</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	<u>9,386</u>	<u>8,528</u>

The remuneration figure above includes benefits in kind of £1,462 (2021 - £1,433).

10. Other interest receivable and similar income

	2022	2021
	£	£
Interest on cash and cash equivalents	127	1,346
Other interest receivable and similar income	3,589	2,949
	<u>3,716</u>	<u>4,295</u>

11. Interest payable and similar expenses

	2022	2021
	£	£
Interest on banks loans and overdrafts	148	—
Interest payable on corporation tax	—	1,566
	<u>148</u>	<u>1,566</u>

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

12. Tax on profit

Major components of tax income

	2022 £	2021 £
Current tax:		
Adjustments in respect of prior periods	(222,999)	(185,151)
Deferred tax:		
Origination and reversal of timing differences	50,000	80,000
Tax on profit	<u>(172,999)</u>	<u>(105,151)</u>

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	148,083	784,359
Profit on ordinary activities by rate of tax	28,136	149,027
Effect of expenses not deductible for tax purposes	–	(54,460)
Utilisation of tax losses	(6,809)	–
Rounding on tax charge	(16,546)	(64,380)
Adjustments to tax charge in respect of previous period	(222,999)	(185,151)
Difference in rates between current tax and deferred tax	49,863	–
Deferred tax not provided	(4,644)	49,813
Tax on profit	<u>(172,999)</u>	<u>(105,151)</u>

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022 £	2021 £
Dividends paid on ordinary shares to Group undertakings	<u>1,010,000</u>	<u>250,000</u>

Leeds and Bradford Boiler Company Limited

Notes to the financial statements (continued)

year ended 31 March 2022

14. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2021	2,547,579	430,150	54,624	3,032,353
Additions	109,130	11,368	26,705	147,203
Disposals	—	—	(21,955)	(21,955)
At 31 March 2022	2,656,709	441,518	59,374	3,157,601
Depreciation				
At 1 April 2021	1,727,196	391,942	40,902	2,160,040
Charge for the year	79,076	22,064	5,785	106,925
Disposals	—	—	(12,350)	(12,350)
At 31 March 2022	1,806,272	414,006	34,337	2,254,615
Carrying amount				
At 31 March 2022	850,437	27,512	25,037	902,986
At 31 March 2021	820,383	38,208	13,722	872,313

15. Stocks

	2022 £	2021 £
Raw materials and consumables	500,821	474,582
Work in progress	1,691,257	1,158,704
	2,192,078	1,633,286

16. Debtors

	2022 £	2021 £
Trade debtors	3,693,009	3,186,072
Amounts owed by group undertakings	882,088	521,379
Prepayments and accrued income	72,241	29,086
Corporation tax repayable	254,061	200,797
Other debtors	81,764	96,600
	4,983,163	4,033,934

Leeds and Bradford Boiler Company Limited

Notes to the financial statements (continued)

year ended 31 March 2022

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	112,500	–
Payments received on account	1,035,157	303,595
Trade creditors	1,477,116	1,043,145
Amounts owed to group undertakings	163,982	–
Accruals and deferred income	3,685	3,685
Social security and other taxes	72,453	66,135
Obligations under finance leases and hire purchase contracts	2,831	–
Other creditors	149,002	231,816
	<u>3,016,726</u>	<u>1,648,376</u>

The bank loan is repayable in 60 monthly instalments of £12,500, commencing in July 2022. Interest is payable at 2.34% over Base Rate. The loan is secured by debenture against the assets of the Company and a fixed charge against the property owned by the Parent Company, LBBC Limited.

18. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	637,500	–
Accruals and deferred income	44,217	47,902
Obligations under finance leases and hire purchase contracts	22,638	–
	<u>704,355</u>	<u>47,902</u>

The bank loan is repayable in 60 monthly instalments of £12,500, commencing in July 2022. Interest is payable at 2.34% over Base Rate. The loan is secured by debenture against the assets of the Company and a fixed charge against the property owned by the Parent Company, LBBC Limited.

Included within creditors: amounts falling due after more than one year is an amount of £37,500 (2021: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022 £	2021 £
Not later than 1 year	2,831	–
Later than 1 year and not later than 5 years	22,638	–
	<u>25,469</u>	<u>–</u>

Net obligations under hire purchase agreements are secured on the assets acquired. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

20. Provisions

	Deferred tax (note 21) £
At 1 April 2021	160,000
Additions	<u>50,000</u>
At 31 March 2022	<u>210,000</u>

21. Deferred tax

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

	2022 £	2021 £
Included in provisions (note 20)	<u>210,000</u>	<u>160,000</u>

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

	2022 £	2021 £
Accelerated capital allowances	<u>210,000</u>	<u>160,000</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £149,236 (2021: £142,326).

The assets of the scheme are held separately from those of the company in independently managed funds.

23. Government grants

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

	2022 £	2021 £
Recognised in creditors:		
Deferred government grants due within one year	3,685	3,685
Deferred government grants due after more than one year	<u>44,217</u>	<u>47,902</u>
	<u>47,902</u>	<u>51,587</u>
Recognised in other operating income:		
Government grants recognised directly in income	51,304	204,020
Government grants released to profit or loss	<u>3,685</u>	<u>3,685</u>
	<u>54,989</u>	<u>207,705</u>

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

24. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>29,058</u>	<u>29,058</u>	<u>29,058</u>	<u>29,058</u>

Ordinary shares entitle holders to vote in any circumstances, receive dividends declared and to participate in a distribution arising from a winding up of a company.

25. Reserves

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

Other reserves - This reserve records capital redemptions and is non-distributable.

26. Cash generated from operations

	2022 £	2021 £
Profit for the financial year	321,082	889,510
<i>Adjustments for:</i>		
Depreciation of tangible assets	106,925	101,872
Government grant income	(54,989)	(207,705)
Other interest receivable and similar income	(3,716)	(4,295)
Interest payable and similar expenses	148	1,566
Gains on disposal of tangible assets	(2,061)	(1,401)
Tax on profit	(172,999)	(105,151)
<i>Changes in:</i>		
Stocks	(558,792)	(189,322)
Trade and other debtors	(949,229)	555,824
Trade and other creditors	<u>1,085,352</u>	<u>(384,551)</u>
	<u>(228,279)</u>	<u>656,347</u>

27. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	2,608,914	(152,809)	<u>2,456,105</u>
Debt due within one year	—	(279,313)	<u>(279,313)</u>
Debt due after one year	—	(660,138)	<u>(660,138)</u>
	<u>2,608,914</u>	<u>(1,092,260)</u>	<u>1,516,654</u>

Leeds and Bradford Boiler Company Limited

Notes to the financial statements *(continued)*

year ended 31 March 2022

28. Operating leases

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

	2022 £	2021 £
Not later than 1 year	-	3,436

29. Contingencies

There were contingent liabilities in respect of amounts repayable to customers at 31 March 2022 totalling £642,657 (2021 - £59,595).

The bank holds two unscheduled mortgage debentures dated 21 December 2004 and 13 February 2014 over all current and future assets of the company.

The bank holds a charge over credit balances dated 23 February 2010 to secure any liabilities with the bank.

The company has given an unlimited guarantee to LBBC Limited to secure any liabilities that company has with National Westminster Bank PLC - £nil at 31 March 2022 (£nil at 31 March 2021).

30. Related party transactions

Advantage has been taken of the exemption in FRS102 Section 33 "Related party disclosures" not to disclose transactions with its parent company LBBC Limited on the grounds that all the voting rights of the company are controlled by LBBC Limited and LBBC Limited produces and files consolidated financial statements.

31. Controlling party

The company's results are included in the Consolidated accounts of LBBC Limited, a company incorporated in England. The registered office and principal place of business of LBBC Limited is Beechwood Street, Stanningley, Pudsey, West Yorkshire, LS28 6PT.