

COMPANY NO: 885335

# Haswell Engineers Limited

Annual Report

Year ended 30 September 2020

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## Company Information

Directors	P G Pollock G C Newman C J Buckenham P V Curtis
Secretary	G C Newman
Registered office	Light & Power House Shire Hill Saffron Walden CB11 3AQ, UK
Registered number	885335
Auditors	RSM UK Audit LLP 2nd Floor, North Wing East City House, Hills Road Cambridge CB2 1RE
Bankers	Barclays Bank Plc PO Box 885 Mortlock House Vision Park, Histon Cambridge CB24 9DE

## **Report of the Directors**

The directors present their report and the audited financial statements for the year ended 30 September 2020.

### **Results and dividends**

The profit on ordinary activities after taxation amounted to £118,375 (2019: Loss of £55,915). The directors do not recommend the payment of a dividend (2019: Nil).

### **Principal activities**

The principal activities of the Company are focussed on provision of supply and goods and services to LPA Industries Ltd, its sister business within the LPA Group Plc (the "Group") through the manufacture of light engineering sheet metal components; and an after-market service offering which provides turnkey solutions for minor modifications and repairs and which is presently focussed on the rail sector.

### **Directors and their interests**

The directors who served during the year are shown on page 1. The Company has made qualifying third-party indemnity provisions for the benefit of its directors who are also directors of LPA Group Plc, which remain in force at the date of this report.

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial period. 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 laws including FRS102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland). 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Report of the Directors (continued)**

The directors confirm that:

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

**Auditors**

RSM UK Audit LLP were appointed as auditor to the company during the period to fill a casual vacancy. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

**Approval**

In preparing this report, the directors have taken advantage of the small companies' exemption in Part 15 of the Companies Act 2006.

The report of the directors was approved by the Board on 25 January 2021 and signed on its behalf by:



**P V Curtis**  
Director

Haswell Engineers Limited is registered in England No 885335

## **Independent auditor's report to the members of Haswell Engineers Limited**

### **Opinion**

We have audited the financial statements of Haswell Engineers Limited (the 'company') for the year ended 30 September 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Independent auditor's report to the members of Haswell Engineers Limited (continued)**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

## **Independent auditor's report to the members of Haswell Engineers Limited (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Mason (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
City House, Hills Road  
Cambridge  
CB2 1RE

Date 25 January 2021



# **Profit and Loss Account** **for the year ended 30 September 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Continuing activities</b>			
<b>Turnover</b>	<b>4</b>	<b>814,152</b>	<b>707,753</b>
<b>Cost of sales</b>		<b>(574,740)</b>	<b>(705,570)</b>
<b>Gross profit</b>		<b>239,412</b>	<b>2,183</b>
Sales and distribution costs		(1,175)	(9,611)
Administrative expenses		(83,183)	(57,828)
Other operating income		9,116	-
<b>Operating profit / (loss)</b>	<b>7</b>	<b>164,170</b>	<b>(65,256)</b>
Interest payable	<b>8</b>	(10,283)	(4,175)
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>153,887</b>	<b>(69,431)</b>
Tax on profit on ordinary activities	<b>9</b>	(35,512)	13,516
<b>Profit / (loss) for the financial year</b>		<b>118,375</b>	<b>(55,915)</b>
Attributable to:			
- Equity holders of the parent		<b>118,375</b>	<b>(55,915)</b>

The notes on pages 10 to 20 form an integral part of these financial statements.

## Balance Sheet

at 30 September 2020

Company No: 885335

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	448,454	231,680
<b>Current assets</b>			
Debtors	11	98,609	222,862
<b>Creditors: Amounts falling due within one year</b>	12	(897,290)	(1,064,855)
<b>Net current liabilities</b>		<u>(798,681)</u>	<u>(841,993)</u>
<b>Total assets less current liabilities</b>		(350,227)	(610,313)
<b>Creditors: Amounts falling due after more than one year</b>	13	(187,357)	(45,646)
<b>Net liabilities</b>		<u>(537,584)</u>	<u>(655,959)</u>
<b>Capital and reserves</b>			
Called up share capital	16	320,000	320,000
Profit and loss reserve	17	(857,584)	(975,959)
<b>Equity shareholders' funds</b>		<u>(537,584)</u>	<u>(655,959)</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 January 2021 and are signed on its behalf by:



**C J Buckenham**  
Director

## Statement of Changes in Equity

### For the year ended 30 September 2020

	Called up share capital £	Profit and loss reserve £	Total £
As at 1 October 2019	320,000	(975,959)	(655,959)
Total comprehensive income for the financial year	-	118,375	118,375
As at 30 September 2020	320,000	(857,584)	(537,584)

### For the year ended 30 September 2019

	Called up share capital £	Profit and loss reserve £	Total £
As at 1 October 2018	320,000	(920,044)	(600,044)
Total comprehensive income for the financial year	-	(55,915)	(55,915)
As at 30 September 2019	320,000	(975,959)	(655,959)

The notes on pages 10 to 20 form an integral part of these financial statements.

## Notes to the Financial Statements

For the year ended 30 September 2020

### 1. Company Information

Haswell Engineers Limited (the "Company") is a private limited company limited by shares and is registered and incorporated in England. The address of the Company's principal place of business is Light & Power House, Shire Hill, Saffron Walden, CB11 3AQ, UK.

The Company's business provides manufacturing and services to LPA Industries Ltd, its services provided on a cost plus intergroup basis which comprise:

- an after-market repairs offering which provides modifications and upgrades to existing inter car connectors trading as Transport<sup>+</sup>, activities which are presently focussed on the rail sector; and
- the manufacture of light engineering sheet metal components (with a focus on high quality, service and short production runs) for predominantly rail and general industrial market end users.

### 2. Basis of Preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£) which is also the functional currency of the Company.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the report of the Directors on page 2. The Company is a subsidiary of LPA Group plc which manages its banking arrangements on a pooled basis across the Group.

Whilst current economic conditions create uncertainty, as: (i) the directors have received a letter of continuing financial support from LPA Group plc; (ii) LPA Group plc has previously demonstrated its willingness to invest in the Company; (iii) opportunities remain within the Company's market place; (iv) the Company has in place adequate working capital facilities for its forecast needs; and (v) the Company has proven adaptable in past periods of adversity, the directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, such enquiries including those of LPA Industries Ltd through which extremal opportunities are primarily serviced. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## Notes to the Financial Statements

For the year ended 30 September 2020

### 3. Accounting Policies

#### A. Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, other than freehold land, by equal annual instalments over their estimated useful economic lives. The rates generally applicable, charged on a straight line basis, are:

Plant and machinery	7% - 25%
Fixtures and fittings	20%
Office equipment	33%

A profit or loss on disposal is recognised in the profit and loss account at the surplus or deficit of disposal proceeds over net carrying amount of the asset at the time of disposal.

#### B. Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### C. Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

##### *Finance leases*

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease or hire purchase obligation. Lease payments are apportioned between finance charges and reduction of the lease or hire purchase obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

## Notes to the Financial Statements

For the year ended 30 September 2020

### 3. Accounting Policies (Continued)

#### D. Stocks

Stocks are supplied as free issue materials from LPA Industries Ltd.

#### E. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### F. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### G. Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated 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.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

#### H. Exceptional and non-underlying items

Exceptional and non-underlying items are material items of profit and loss which by virtue of their size or nature are separately disclosed, by way of a note, to assist in the better understanding of the Company's performance.

## Notes to the Financial Statements

For the year ended 30 September 2020

### 3. Accounting Policies (Continued)

#### I. Turnover

Turnover is the revenue arising from the value of goods and services supplied by the Company excluding value added tax, trade and volume discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer of the goods, generally upon despatch, and reliable measurement is possible. Revenue is not recognised where recovery of the consideration is not probable or there are significant uncertainties regarding associated costs, or the possible return of goods.

Revenue from the provision of services is recognised when the Company has performed its obligations and in exchange obtained the right to consideration.

#### J. Government grants

Income from government grants is presented within other operating income. Government grants relating to the Job Retention Scheme are recognised as income over the periods when the related costs are incurred.

#### K. Employee benefits

A liability for short-term compensated absences, such as holiday, is recognised at the amount the company may be required to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

#### L. Disclosures and cash flow statement

As a qualifying entity, the Company has adopted the following disclosure exemptions under FRS102:

- Section 11 'Basic Financial Instruments'; &
- Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial asset not derecognised, loan defaults or breaches, and descriptions of hedging relationships;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company is included in the consolidated financial statements of LPA Group Plc which can be obtained from [www.lpa-group.com](http://www.lpa-group.com).

## Notes to the Financial Statements

For the year ended 30 September 2020

### 3. Accounting Policies (Continued)

#### M. Significant judgements and estimates

The preparation of the financial statements requires management to make judgements on the application of its accounting policies and make estimates about the future. Actual results may differ from these assumptions. There are no critical judgements made in arriving at the amounts included in these financial statements nor are there key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

### 4. Geographical Analysis of Turnover

	2020 £	2019 £
United Kingdom	814,152	707,753

In the opinion of the directors, the activities of the Company constitute one business segment.

### 5. Employees

Average monthly number of employees, excluding directors:	2020	2019
	No	No
Production	9	7
Administration	-	1
	9	8
Staff costs:	2020	2019
	£	£
Wages and salaries	281,039	272,198
Social security costs	21,240	20,906
Pension costs	9,643	8,888
Group life assurance	348	1,632
	312,270	303,624

Remuneration in respect of directors was nil (2019: nil). During the year no director (2019: none) participated in money purchase pension schemes. Directors remuneration is provided through LPA Industries Ltd, an LPA group company and LPA Group Plc as the parent undertaking. Management charges are made to the Company by LPA Industries Ltd. All employees were transferred to LPA Industries Ltd during September 2020. The Company receives a recharge for its staff costs hereon.



## Notes to the Financial Statements

For the year ended 30 September 2020

### 6. Exceptional costs

	2020	2019
	£	£
Restructuring costs	6,506	-

Exceptional costs relate to wages and severance payments connected with a cost reduction programme implemented in the business.

### 7. Profit / (Loss) on Ordinary Activities Before Taxation

The Profit / (Loss) on ordinary activities before taxation is stated after charging / (crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	53,750	47,240
Loss on sale of fixed assets	62,041	-
Other operating income (grants)	(9,116)	-
Exceptional costs (Note 6)	6,506	-
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,750	6,000
Fees payable to the Company's previous auditor for the audit of the Company's previous annual accounts		
	250	-

### 8. Interest Payable

	2020	2019
	£	£
Interest payable – finance leases	10,242	4,175
Interest payable - bank	41	-
	10,283	4,175

## Notes to the Financial Statements

For the year ended 30 September 2020

### 9. Tax on Loss on Ordinary Activities

	2020 £	2019 £
UK corporation tax	(21,512)	-
<b>Current taxation</b>	<b>(21,512)</b>	<b>-</b>
<b>Deferred taxation</b>		
Effect of change in tax rate on opening balance	(3,840)	480
Net origination and reversal of timing differences	60,864	(13,996)
<b>Tax on profit / (loss) on ordinary activities</b>	<b>35,512</b>	<b>(13,516)</b>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2019: 19%). The differences are explained as follows:

#### Tax reconciliation

	2020 £	2019 £
Profit / (loss) on ordinary activities before taxation	153,887	(69,432)
UK corporation tax at a rate of 19% (2019: 19%)	29,239	(13,192)
Effects of:		
Adjustment to opening deferred values to closing rate	(3,840)	480
Expenditure that is not tax allowable	21,658	-
Permanent differences	(11,545)	(804)
<b>Tax on profit on ordinary activities</b>	<b>35,512</b>	<b>(13,516)</b>

**Notes to the Financial Statements**

For the year ended 30 September 2020

**10. Tangible Fixed Assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 October 2019	961,796	11,733	3,262	976,791
Additions	337,565	-	-	337,565
Disposals	(358,093)	-	-	(358,093)
At 30 September 2020	941,268	11,733	3,262	956,263
<b>Depreciation</b>				
At 1 October 2019	735,660	6,189	3,262	745,111
Charged in year	51,566	2,184	-	53,750
Disposals	(291,052)	-	-	(291,052)
At 30 September 2020	496,174	8,373	3,262	507,809
<b>Net book value</b>				
At 30 September 2020	445,094	3,360	-	448,454
At 30 September 2019	226,136	5,544	-	231,680

The net book value of the tangible fixed assets includes £419,478 (2019: £136,863) in respect of Plant and Machinery assets held under hire purchase contracts. Depreciation charged in the period on those assets amounted to £47,355 (2019: £17,108).

**11. Debtors**

	2020 £	2019 £
Trade debtors	-	11,367
Amounts due from group undertakings	98,609	115,716
Prepayments and accrued income	-	33,345
Deferred tax (note 15)	-	44,740
Other taxation and social security	-	17,694
	98,609	222,862

**Notes to the Financial Statements**

For the year ended 30 September 2020

**12. Creditors: Amounts Falling Due Within One Year**

	2020	2019
	£	£
Bank overdraft (note 18)	729,049	853,155
Trade creditors	-	92,435
Amounts owed to group undertakings	48,409	63,800
Other taxation and social security	-	4,816
Accruals and other deferred income	10,942	15,828
Obligations under finance leases (note 14)	108,890	34,821
	<u>897,290</u>	<u>1,064,855</u>

**13. Creditors: Amounts Falling Due After More Than One Year**

	2020	2019
	£	£
Obligations under finance leases (note 14)	175,073	45,646
Deferred tax (note 15)	12,284	-
	<u>187,357</u>	<u>45,646</u>

**14. Obligations Under Finance Leases**

The Company's obligations under finance leases contracts are analysed by the value of future minimum lease payments as below:

	2020	2019
	£	£
Within one year	108,890	34,821
Between two and five years	175,073	45,646
	<u>283,963</u>	<u>80,467</u>

Finance lease liabilities are secured against the assets to which they relate.

## Notes to the Financial Statements

For the year ended 30 September 2020

### 15. Provisions for Liabilities

#### Deferred taxation

	£
At 1 October 2019	(44,740)
Charge to the profit and loss account in the year	57,024
At 30 September 2020	<u>12,284</u>

Deferred taxation provided in the accounts is as follows:

	2020 £	2019 £
Accelerated capital allowances	54,969	(5,802)
Losses	(42,685)	(38,938)
	<u>12,284</u>	<u>(44,740)</u>

Deferred tax liabilities are shown in note 13. Deferred tax assets are disclosed in note 11.

Deferred tax assets of £54,908 (2019: £50,573) have not been recognised in respect of unrelieved losses of £290,000 (2019: £290,000) because of uncertainty over the timing of their recoverability. The tax losses have no expiry date.

A deferred tax asset of £42,685 (2019: £38,938) relating to unrelieved losses of £208,490 (2019: £222,502) netted against accelerated capital allowances of £54,969 (2019: £5,802) has been recognised as the Directors believe there is a reasonable degree of certainty that they will be utilised in the near term.

### 16. Share Capital

	2020 £	2019 £
<b>Allotted and fully paid</b>		
320,000 ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>

Called up share capital represents the nominal value of shares that have been issued.

### 17. Reserves

#### Profit and loss reserve

The profit and loss reserve includes all current and prior period retained profits and losses.

## **Notes to the Financial Statements**

For the year ended 30 September 2020

### **18. Financial Commitments**

The following security is provided to Barclays Bank plc in respect of LPA Group plc's £2.5 million term loan facility, outstanding at 30 September 2020: (i) a debenture from the Company; and (ii) a cross guarantee by the Company as guarantor on account of the obligations of each Group company to Barclays Bank plc.

#### **Capital commitments**

Contracted for but not provided in the accounts amounted to £Nil (2019: £0.3m).

### **19. Transactions with Related Parties**

The Company's immediate parent undertaking and controlling party is LPA Group plc a company incorporated in England and Wales. Copies of LPA Group plc group accounts, which include the Company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company has taken advantage of the exemption conferred by FRS102 and has not disclosed related party transactions with group undertakings during the period.