

LAKER VENT ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 MARCH 2022

Company Registration No. 02001095 (England and Wales)

LAKER VENT ENGINEERING LIMITED

COMPANY INFORMATION

Directors	P Ventre C Ventre M Ventre R G Ventre (non-executive) J Ashe T Ventre	(Appointed 1 December 2021)
Secretary	J Ashe	
Company number	02001095	
Registered office	Laker House North Road Ellesmere Port CH65 1BA	
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL	
Bankers	Barclays Bank plc 1st Floor 3 Hardman Street Manchester M3 3HF	
Solicitors	O'Connors LLP The Plaza 100 Old Hall Street Liverpool L3 9QJ	

LAKER VENT ENGINEERING LIMITED

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LAKER VENT ENGINEERING LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 26 MARCH 2022

The directors present the strategic report for the period ended 26 March 2022.

Business review

The business of the company is project and maintenance work for the power, pharmaceutical and process industries. During this year, we have focused our business in-line with the last year of our strategic business plan 2016-2021 and the recently implemented 2022-27 plan. This has allowed us to focus on specific strategies which are both measurable and achievable, along with achieving most of our targets. We continue to work with key customers while also developing new routes to market.

Principal risks and uncertainties

The Directors consider the principal risks and uncertainties faced by the company are in the following categories:

- Abrupt changes in domestic and or foreign government policies, laws treaties (including those impacting trade), regulations or leadership.
- Covid-19 or other possible pandemic issues.
- Other social, political, and economic instability.
- Staff and trade retention in the coming years.
- Skill shortages throughout the whole of the construction industry are impacting delivery.
- Raw material and energy prices are increasing dramatically, due to a perfect storm of Brexit, Covid-19 and the war in Ukraine.
- Climate change risks continue to grow year on year. We need to ensure we do our best as a business in managing our waste and emissions.

Financial key performance indicators

	Period ended 26 March 2022 £000's	Period ended 27 March 2021 £000's
Turnover	16,121	17,040
Operating profit	488	322
Profit after tax	386	232
Shareholder funds	1,834	1,448

The company's profits have increased 50% from the comparative period.

With a good order book, strong cash position and established client base the company expects to continue to trade profitably during the next financial period. We will continue to invest in our workforce and key technologies, which we see as paramount to our business and key to successful growth, efficiency, and client satisfaction.

This report was approved by the board and signed on its behalf.

M Ventre
Director

28 July 2022

LAKER VENT ENGINEERING LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 26 MARCH 2022

The directors present their annual report and financial statements for the period ended 26 March 2022.

Principal activities

The principal activity during the period was the design, fabrication and installation of process and service pipework, mechanical plant and associated equipment.

Results and dividends

The profit for the period, after taxation, amounted to £371,000 (2021: £232,000).

Ordinary dividends were paid amounting to £nil (2021: £105,708). The directors do not recommend payment of a dividend.

Directors

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

P Ventre
C Ventre
M Ventre
R G Ventre (non-executive)
J Ashe
T Ventre (Appointed 1 December 2021)

Financial risk management objectives and policies

Treasury policies

The company finances its activities through bank borrowings and finance leasing. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The company does not enter into interest rate swaps and does not trade in financial instruments.

Liquidity risk

The company seeks to mitigate liquidity risk by managing cash generation from its operations and applying cash collection targets. The company's funding strategy is to maintain a balance between continuity of funding and flexibility through use of overdrafts, loans and finance leases.

Interest rate risk

The company's policy is to manage its cost of borrowing using variable rate debt. At 26 March 2022 100% (2021: 100%) of the company's borrowings were at variable rate.

Foreign currency risk

The company has no operations outside the United Kingdom and has no exposure to foreign currencies.

Credit risk

The risk of financial loss due to a counterparty's failure to honour its obligations arise principally in relation to transactions where the company provides goods and services.

Company policies are aimed at minimising such losses, and require that credit terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored to ensure that the company's exposure to bad debts is minimised.

Price risk

The company does not seek to hedge any transactions and no trading in derivative financial instruments is undertaken.

LAKER VENT ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

Future developments

Future developments are detailed in the Strategic Report on page 1.

Auditor

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, 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 company's auditor is aware of that information.

On behalf of the board

M Ventre

Director

28 July 2022

LAKER VENT ENGINEERING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 26 MARCH 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements 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 financial statements;
- 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 to 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.

LAKER VENT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF LAKER VENT ENGINEERING LIMITED

Opinion

We have audited the financial statements of Laker Vent Engineering Limited (the 'company') for the period ended 26 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 26 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor'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 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.

LAKER VENT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF LAKER VENT ENGINEERING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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 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.

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.

LAKER VENT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF LAKER VENT ENGINEERING LIMITED

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.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, company law, tax and pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements, which as a fabrication and installation business was limited to compliance with general health and safety regulations.

Audit procedures undertaken in response to the potential risk relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries which may be indicative of fraud; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Andrew Moss BA FCA
Senior Statutory Auditor
For and on behalf of DSG

28 July 2022

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

LAKER VENT ENGINEERING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 26 MARCH 2022

		Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
	Notes		
Turnover	3	16,121	17,040
Other operating income	4	128	362
Raw materials and consumables		(2,932)	(2,435)
Staff costs	7	(8,573)	(9,232)
Depreciation	5	(93)	(77)
Other operating expenses		(4,163)	(5,336)
Operating profit	5	488	322
Interest payable and similar expenses	9	(15)	(13)
Profit before taxation		473	309
Tax on profit	10	(102)	(77)
Profit for the financial period		371	232

There was no other comprehensive income for 2022 (2021: £nil).

LAKER VENT ENGINEERING LIMITED

BALANCE SHEET

AS AT 26 MARCH 2022

		2022	2021
	Notes	£ '000	£ '000
Fixed assets			
Tangible assets	12	607	544
Current assets			
Stocks	13	37	345
Debtors	14	2,574	1,626
Cash at bank and in hand		1,936	2,201
		<u>4,547</u>	<u>4,172</u>
Creditors: amounts falling due within one year	15	<u>(3,188)</u>	<u>(3,064)</u>
Net current assets		<u>1,359</u>	<u>1,108</u>
Total assets less current liabilities		<u>1,966</u>	<u>1,652</u>
Creditors: amounts falling due after more than one year	16	<u>(111)</u>	<u>(187)</u>
Provisions for liabilities			
Deferred tax liability	20	<u>36</u>	<u>17</u>
		<u>(36)</u>	<u>(17)</u>
Net assets		<u>1,819</u>	<u>1,448</u>
Capital and reserves			
Called up share capital	22	5	5
Revaluation reserve	23	286	292
Profit and loss reserves		1,528	1,151
Total equity		<u>1,819</u>	<u>1,448</u>

The financial statements were approved by the board of directors and authorised for issue on 28 July 2022 and are signed on its behalf by:

M Ventre
Director

Company Registration No. 02001095

LAKER VENT ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 26 MARCH 2022

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£ '000	£ '000	£ '000	£ '000
Balance at 29 March 2020		5	298	1,019	1,322
Period ended 27 March 2021:					
Profit and total comprehensive income for the period		-	-	232	232
Dividends	11	-	-	(106)	(106)
Transfers		-	(6)	6	-
Balance at 27 March 2021		5	292	1,151	1,448
Period ended 26 March 2022:					
Profit and total comprehensive income for the period		-	-	371	371
Transfers		-	(6)	6	-
Balance at 26 March 2022		5	286	1,528	1,819

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 MARCH 2022

1 Accounting policies

Company information

Laker Vent Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is Laker House, North Road, Ellesmere Port, CH65 1BA.

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 £'000.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated into the financial statements of LV Engineering Limited for the period ended 26 March 2022. These consolidated financial statements may be obtained from the Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

1 Accounting policies

(Continued)

1.2 Going concern

The directors believe that it is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the company will have adequate resources to continue in operation for at least twelve months from the signing date of these consolidated financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The company's profits have increased by 50% in the period, this has placed us in a strong position to move forward into the next financial year.

Over the past twelve months we have developed a Coronavirus Covid-19 management system based on Government, NHS and Construction industry guidelines. The system covers our offices, workshops and sites. This includes procedures, risk assessments, toolbox talks and signage. As part of the Coronavirus Covid-19 changes, we have had to review our processes and make the necessary changes to comply with the Government guidelines. This has also involved new equipment and PPE. The financial impact of the virus has resulted in unforeseen investment.

Moving forward we are continuing to monitor any government changes that has an impact on the company. Any changes made are communicated to those who work for the company and others who may be impacted by the changes we make.

The company's forecasts for the next 12 months show a solid trading position moving forward with a good order book and strong cash position.

1.3 Reporting period

The annual financial statements are compiled for the period to 26 March 2022 being the closest Saturday to the 31 March 2022 accounting reference date.

1.4 Turnover

Turnover is taken into account progressively and in accordance with UK applicable accounting standards relating to long term contracts.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the period end date, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the period in which they are first foreseen. In accordance with FRS 102, the balance of payments on account in excess of amounts matched with turnover and offset against long term balances, is classified as payments on account and separately disclosed within creditors.

Turnover in respect of daywork represents the invoiced value of work done during the period stated net of value added tax.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Freehold land and buildings are held by the company at deemed cost being their fair value at the date of transition to Financial Reporting Standard 102. The fair value was based on a professional valuation undertaken on 8 July 2014 in accordance with the valuation standards of the Royal Institution of Chartered Surveyors. To comply with the requirements of company law, the revaluation reserve has been retained in capital and reserves, and an amount equal to the excess of the annual depreciation charge over the notional historical cost depreciation charge on the freehold buildings is transferred annually from the revaluation reserve to the profit and loss reserve.

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold land and property	5% straight line
Plant & machinery	25% straight line
Fixtures & fittings	25% straight line
Motor vehicles	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating expenses' in the Income Statement.

1.6 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Work in progress is stated at cost of direct materials and labour plus attributable overheads based on the anticipated normal level of activity, less provision for any known or anticipated losses.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

1.9 Operating leases: Lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the period of the lease.

1.10 Equity instruments

Equity instruments issued by the company 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 company.

1.11 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

1 Accounting policies

(Continued)

1.12 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.

1.13 Pensions

The company operates a defined contribution and auto-enrolment pension scheme, and the pension charge represents the amounts payable by the company in respect of the period.

1.14 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Income Statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.15 Government grants

Amounts received under the Government's Job Retention Scheme have been included within other income and are accounted for in full when deemed due for payment.

1.16 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.17 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.

1.18 Creditors

Short term creditors are measured at 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.

1.19 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit rating, and experience of recovery.

Key sources of estimation uncertainty

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

Determining WIP valuations

WIP is valued at direct cost and uplifted to cover associated production overheads and this is based on normal activity levels within the business. Profit is only recognised within WIP when the contract is significantly completed, this ensures minimum risk of overstatement of asset values. Similarly any potential losses on a contract are recognised as soon as the directors are aware of this.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of tangible fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about the future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technical innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

3 Turnover and other revenue

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Turnover analysed by class of business		
Contracts	11,885	14,384
Daywork	4,236	2,656
	<u>16,121</u>	<u>17,040</u>

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Turnover analysed by geographical market		
United Kingdom	16,121	17,040
	<u>16,121</u>	<u>17,040</u>

4 Other income

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Government grants	128	362
	<u>128</u>	<u>362</u>

Government grants represent coronavirus job retention scheme grants in respect of furloughed employees.

5 Operating profit

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Operating profit for the period is stated after charging/(crediting):		
Government grants	(128)	(362)
Depreciation of owned tangible fixed assets	93	77
Other operating lease rentals	86	71
	<u>41</u>	<u>86</u>

6 Auditor's remuneration

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14	17
	<u>14</u>	<u>17</u>

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

7 Employees

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

	Period ended 26 March 2022 Number	Period ended 27 March 2021 Number
Installation staff	130	124
Office and management	29	23
Total	159	147

Their aggregate remuneration comprised:

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Wages and salaries	7,550	8,051
Social security costs	726	752
Cost of defined contribution scheme	295	429
	8,571	9,232

8 Directors' remuneration

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Directors emoluments	517	300
Company pension contributions to defined contribution schemes	131	266
	648	566

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

The highest paid director received remuneration of £129,000 (2021 - £97,000).

The value of the company's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £7,000 (2021 - £38,000).

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

9 Interest payable and similar expenses

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Bank interest payable	15	12
Finance leases and hire purchase contracts	-	1
	<u>15</u>	<u>13</u>

10 Taxation

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Current tax		
UK corporation tax on profits for the current period	83	58
Adjustments in respect of prior periods	-	11
	<u>83</u>	<u>69</u>
Deferred tax		
Origination and reversal of timing differences	19	8
	<u>19</u>	<u>8</u>
Total tax charge	<u>102</u>	<u>77</u>

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

10 Taxation

(Continued)

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

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Profit before taxation	473	309
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	90	58
Tax effect of expenses that are not deductible in determining taxable profit	10	8
Under/(over) provided in prior years	-	11
Other differences leading to an increase in the tax charge	2	-
Taxation charge for the period	102	77

Factors affecting future tax charges

Finance Act 2021 includes provisions to increase the corporation tax rate from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and as such deferred tax balances have been calculated based on timing differences reversing at the 25% rate.

11 Dividends

	Period ended 26 March 2022 £ '000	Period ended 27 March 2021 £ '000
Dividends	-	106

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

12 Tangible fixed assets

	Freehold land and property £ '000	Plant & machinery £ '000	Fixtures & fittings £ '000	Motor vehicles £ '000	Total £ '000
Cost or valuation					
At 28 March 2021	474	625	289	140	1,528
Additions	-	106	16	34	156
Disposals	-	-	(72)	(34)	(106)
At 26 March 2022	474	731	233	140	1,578
Depreciation and impairment					
At 28 March 2021	95	533	237	119	984
Depreciation charged in the period	14	50	21	8	93
Eliminated in respect of disposals	-	-	(72)	(34)	(106)
At 26 March 2022	109	583	186	93	971
Carrying amount					
At 26 March 2022	365	148	47	47	607
At 27 March 2021	379	92	52	21	544

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £ '000	2021 £ '000
Plant & machinery	-	8

Included within freehold property is freehold land of £200,000 (2021: £200,000) which is not depreciated.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately:

	2022 £ '000	2021 £ '000
Cost	287	287
Accumulated depreciation	(221)	(214)
Carrying value	66	73

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

13 Stocks

	2022	2021
	£ '000	£ '000
Work in progress	37	345
	<u> </u>	<u> </u>

14 Debtors

	2022	2021
	£ '000	£ '000
Amounts falling due within one year:		
Trade debtors	2,315	1,367
Amounts owed by group undertakings	178	178
Other debtors	-	19
Directors loan accounts	5	5
Prepayments and accrued income	76	57
	<u> </u>	<u> </u>
	2,574	1,626
	<u> </u>	<u> </u>

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£ '000	£ '000
Obligations under finance leases	18	-	6
Bank loans	17	83	63
Payments received on account		213	208
Trade creditors		1,411	1,277
Corporation tax		83	69
Other taxation and social security		855	775
Directors loan accounts		-	5
Other creditors		282	399
Accruals and deferred income		261	262
		<u> </u>	<u> </u>
		3,188	3,064
		<u> </u>	<u> </u>

16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£ '000	£ '000
Bank loans	17	111	187
		<u> </u>	<u> </u>

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

17 Loans and overdrafts

	2022 £ '000	2021 £ '000
Bank loans	194	250
Payable within one year	83	63
Payable after one year	111	187

Bank facilities are secured by way of a legal charge over the freehold property at Laker House, North Road, Ellesmere Port, a debenture on the bank's standard form dated 13 December 1990, and an intercompany cross guarantee between Laker Vent Engineering Limited and the parent company, LV Engineering Limited.

The bank loan is provided by Barclays Bank Plc under the Coronavirus Business Interruption Loan Scheme (CBILS) which is a UK government backed loan scheme whereby the government provides a limited guarantee to the bank for up to 80% of the loan value. The loan is repayable in 36 instalments commencing 12 months after the draw down date (July 2020). Interest is calculated on a floating rate basis. The interest cost for the first 12 months of the term of the loan is met by the UK government.

18 Finance lease obligations

	2022 £ '000	2021 £ '000
Minimum lease payments under hire purchase fall due as follows:		
Within one year	-	6

19 Provisions for liabilities

	Notes	2022 £ '000	2021 £ '000
Deferred tax liabilities	20	36	17

20 Deferred taxation

The following are the major net deferred tax liabilities and assets recognised by the company:

	Liabilities 2022 £ '000	Liabilities 2021 £ '000
Balances:		
Accelerated capital allowances	39	19
Retirement benefit obligations	(3)	(2)
	36	17

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

20 Deferred taxation (Continued)

	2022 £ '000
Movements in the period:	
Liability at 28 March 2021	17
Charge to profit or loss	19
Liability at 26 March 2022	<u>36</u>

The net deferred tax liabilities set out above are not expected to reverse within the next 12 months.

21 Pension contributions

The company operates defined contribution and auto-enrolment pension schemes. Contributions are charged to the income statement as they become payable in accordance with the rules of the schemes. The pension cost charge represents contributions payable by the company and amounted to £290,000 (2021: £429,000). Contributions of £33,000 (2021: £36,000) were outstanding at the year-end date which are included within creditors due within one year.

22 Share capital

	2022 £ '000	2021 £ '000
Allotted, called up and fully paid		
5,100 Ordinary 'A' shares of £1 each	5	5
10 Ordinary 'B' shares of £1 each	-	-
	<u>5</u>	<u>5</u>

The Ordinary 'B' shares have no voting rights.

23 Reserves

Revaluation reserve

The revaluation reserve represents the revaluation gain on freehold property less annual transfers to the profit and loss reserve for the additional depreciation charged on the deemed cost (previously fair value) in comparison to the historical cost depreciation charge.

Profit & loss account

This reserve represents cumulative profits and losses.

24 Financial commitments, guarantees and contingent liabilities

The company has indemnified its bankers in respect of a bonds, guarantees, and indemnities facility to the value of £150,000.

LAKER VENT ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 26 MARCH 2022

25 Operating lease commitments

Lessee

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

	2022 £ '000	2021 £ '000
Within one year	105	109
Between two and five years	123	148
	<u>228</u>	<u>257</u>

26 Related party transactions

Included in directors' loan accounts are amounts due from/(to) the following directors:

C Ventre	2022: £2,000	2021: £2,000
P Ventre	2022: £3,000	2021: £3,000
R Ventre	2022: £nil	2021: (£5,000)

No interest is charged on these loans.

The maximum overdrawn balances for C Ventre and P Ventre during the period were £10,000 and £3,000 respectively.

The company has taken advantage of the exemption in FRS102 section 33 not to disclose transactions with other wholly owned members of the group.

27 Ultimate controlling party

The company is a wholly owned subsidiary of LV Engineering Limited, which is the ultimate parent undertaking. LV Engineering Limited is a company incorporated in England, company number 06993145.

The company is under the control of the Board of Directors by virtue of their majority shareholding in the parent company, LV Engineering Limited.

The largest group into which the results of the company are consolidated is that headed by LV Engineering Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

28 Post balance sheet events

The company paid dividends of £83,000 on 7 April 2022.

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.