

Company Registration No. 5179769 (England and Wales)

LASER LINES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

LASER LINES LIMITED

COMPANY INFORMATION

Directors	S E Hall M S Tyrantia T W James
Secretary	S E Hall
Company number	5179769
Registered office	Beaumont Close Banbury Oxfordshire United Kingdom OX16 1TH
Auditor	Ellacotts Audit Services Limited Countrywide House 23 West Bar Banbury Oxfordshire England OX16 9SA
Bankers	National Westminster Bank Plc 1 Town Hall Buildings Bridge Street Banbury Oxfordshire OX16 5JS

LASER LINES LIMITED

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LASER LINES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2020

The directors present the strategic report and financial statements for the year ended 31 July 2020.

The principal activity is to act as a high tech distributor for overseas companies here in the UK and Ireland.

Principal Activities, Business Review and Risks

Laser Lines was originally founded in 1975 and remains one of the leading suppliers of lasers and accessories, 3D printers, rapid prototyping machines and vacuum casting systems.

Turnover for the year was £11,125,436 a decrease of 19.4% on the previous year.

Gross profit for the year was £3,368,755 (2019: £3,865,922) which represented a gross margin of 30.30%, an increase from the previous year's gross margin of 28.02%.

The overall operating profit of £599,100 was up from the previous year's figure of £935,882.

Exchange rates have not remained steady during the year and could pose a risk should the Dollar or the Euro swing violently either way. The company minimises this potential risk by dealing with larger value orders in the foreign currency or by applying exchange rate variation clauses in its contracts.

The company minimises its exposure to potential problems with its debtor book through using credit verification and control procedures.

Financial KPIs

With significant gross profit, the board are overall satisfied with our current strategy. The further development of the Additive Manufacturing bureau service with its repeat customer base is proving to be an important element of the company's growing success. Stock has been held at an expected level and operating costs remain in line with forecasts and staff numbers.

Future Developments

The company continues to try to offer quality, innovative products from overseas suppliers within the UK market, providing our customers with local expertise in both sales and support whilst also providing its suppliers with a knowledgeable resource within the UK to explore existing and potential markets. Our goal to continue to expand all sales groups in both new and existing markets remains as in previous years.

COVID-19

On behalf of the board

COVID-19 will impact the business in 2020/21 however we anticipate a profitable year despite reduced sales.

S E Hall
Director

23 December 2020

LASER LINES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The directors present their annual report and financial statements for the year ended 31 July 2020.

Directors

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

S E Hall
M S Tyrtonia
T W James

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Ellacotts Audit Services Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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.

LASER LINES LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

On behalf of the board

S E Hall
Director

23 December 2020

LASER LINES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LASER LINES LIMITED

Opinion

We have audited the financial statements of Laser Lines Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

LASER LINES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LASER LINES 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 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 and the directors' report.

We have nothing to report in respect of the following matters where 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 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.

LASER LINES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LASER LINES LIMITED

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.

Charlotte Toemaes BSc FCA (Senior Statutory Auditor) for and on behalf of Ellacotts Audit Services Limited

Chartered Accountants & Statutory Auditor

Countrywide House

23 West Bar

Banbury

Oxfordshire

OX16 9SA

Date: 5 January 2021

LASER LINES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Turnover	3	11,125,436	13,799,334
Cost of sales		(7,756,681)	(9,933,412)
Gross profit		<u>3,368,755</u>	<u>3,865,922</u>
Administrative expenses		(2,876,676)	(2,930,040)
Other operating income		107,021	-
Operating profit	4	<u>599,100</u>	<u>935,882</u>
Interest receivable and similar income	7	910	3,420
Interest payable and similar expenses	8	(34,281)	(52,664)
Profit before taxation		<u>565,729</u>	<u>886,638</u>
Tax on profit	9	(113,702)	(148,369)
Profit for the financial year		<u><u>452,027</u></u>	<u><u>738,269</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There has been no other comprehensive income received during the year.

LASER LINES LIMITED

BALANCE SHEET AS AT 31 JULY 2020

		2020		2019
	Notes	£	£	£
Fixed assets				
Tangible assets	10	318,036		246,003
Investments	11	1		1
		<u>318,037</u>		<u>246,004</u>
Current assets				
Stocks	13	1,682,522	1,609,574	
Debtors falling due after more than one year	14	5,981,570	5,362,436	
Debtors falling due within one year	14	1,007,600	2,540,231	
Cash at bank and in hand		104,983	676,712	
		<u>8,776,675</u>	<u>10,188,953</u>	
Creditors: amounts falling due within one year	15	<u>(1,936,021)</u>	<u>(3,747,974)</u>	
Net current assets		<u>6,840,654</u>		<u>6,440,979</u>
Total assets less current liabilities		<u>7,158,691</u>		<u>6,686,983</u>
Provisions for liabilities	16	<u>(32,695)</u>		<u>(13,014)</u>
Net assets		<u><u>7,125,996</u></u>		<u><u>6,673,969</u></u>
Capital and reserves				
Called up share capital	19	30,000		30,000
Capital redemption reserve		10,000		10,000
Profit and loss reserves		7,085,996		6,633,969
Total equity		<u><u>7,125,996</u></u>		<u><u>6,673,969</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 December 2020 and are signed on its behalf by:

S E Hall
Director

Company Registration No. 5179769

LASER LINES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 August 2018	30,000	10,000	5,895,700	5,935,700
Year ended 31 July 2019:				
Profit and total comprehensive income for the year	-	-	738,269	738,269
Balance at 31 July 2019	30,000	10,000	6,633,969	6,673,969
Year ended 31 July 2020:				
Profit and total comprehensive income for the year	-	-	452,027	452,027
Balance at 31 July 2020	30,000	10,000	7,085,996	7,125,996

LASER LINES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(314,237)		524,948
Interest paid			(34,281)		(52,664)
Income taxes paid			(92,927)		(251,306)
Net cash (outflow)/inflow from operating activities			(441,445)		220,978
Investing activities					
Purchase of tangible fixed assets		(131,194)		(79,641)	
Proceeds on disposal of tangible fixed assets		-		124,458	
Interest received		910		3,420	
Net cash (used in)/generated from investing activities			(130,284)		48,237
Net (decrease)/increase in cash and cash equivalents			(571,729)		269,215
Cash and cash equivalents at beginning of year			676,712		407,497
Cash and cash equivalents at end of year			104,983		676,712

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

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 £.

1.2 Going concern

The company has been adversely affected by the ongoing COVID-19 pandemic in the new financial year. The duration of the outbreak and the impact on the industry cannot be accurately determined, however the company continues to be in a strong financial position and therefore at the date of approving the financial statements, the directors are satisfied that the company will continue its operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the amount derived from the provision of goods and services after the deduction of trade discounts and value added tax.

1.4 Tangible fixed assets

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

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

Plant and machinery	- 5 to 7 years straight line
Fixtures, fittings & equipment	- 5 years straight line
Computer equipment	- 3 years straight line

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

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

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

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

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

1.7 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

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

Current tax

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

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

Deferred tax

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

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

1.12 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 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

1.15 Foreign exchange

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.

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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.

The directors do not believe there to be any estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover and other revenue

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

	2020 £	2019 £
Sales - UK	10,379,832	12,815,363
Overseas sales - EU	536,538	755,823
Overseas sales - Non EU	209,066	228,148
	<u>11,125,436</u>	<u>13,799,334</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	3,361	(1,204)
Fees payable to the company's auditor for the audit of the company's financial statements	9,270	9,000
Depreciation of owned tangible fixed assets	59,161	80,004
Profit on disposal of tangible fixed assets	-	(41,579)
Operating lease charges	<u>220,262</u>	<u>207,108</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £3,361 (2019 - £1,204).

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

5 Employees

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

	2020 Number	2019 Number
Number of administrative staff	37	37

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,556,863	1,557,880
Social security costs	198,002	198,705
Pension costs	64,550	53,323
	<u>1,819,415</u>	<u>1,809,908</u>

The key management personnel of the company comprise the directors as listed on page 2. The total amount of employee benefits received by key management personnel for their services to the company was £370,858 (2019: £366,205).

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	299,741	299,296
Company pension contributions to defined contribution schemes	15,000	15,000
	<u>314,741</u>	<u>314,296</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	100,678	101,916
Company pension contributions to defined contribution schemes	5,000	5,000

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Bank interest income	910	983
Other interest income	-	2,437
	<u>910</u>	<u>3,420</u>
Total income	<u>910</u>	<u>3,420</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Other finance costs:		
Other interest	34,281	52,664
	<u>34,281</u>	<u>52,664</u>

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	95,832	156,870
Adjustments in respect of prior periods	(1,811)	-
	<u>94,021</u>	<u>156,870</u>
Deferred tax		
Other adjustments	19,681	(8,501)
	<u>19,681</u>	<u>(8,501)</u>
Total tax charge	<u>113,702</u>	<u>148,369</u>

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

	2020	2019
	£	£
Profit before taxation	<u>565,729</u>	<u>886,638</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	107,489	168,461
Tax effect of expenses that are not deductible in determining taxable profit	19,265	10,855
Adjustments in respect of prior years	(1,812)	-
Capital allowances	(30,921)	(22,446)
Deferred tax movement	19,681	(8,501)
	<u>113,702</u>	<u>148,369</u>
Taxation charge for the year	<u>113,702</u>	<u>148,369</u>

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 August 2019	406,567	76,156	33,704	516,427
Additions	127,300	-	3,894	131,194
At 31 July 2020	533,867	76,156	37,598	647,621
Depreciation and impairment				
At 1 August 2019	170,845	68,669	30,910	270,424
Depreciation charged in the year	54,866	2,029	2,266	59,161
At 31 July 2020	225,711	70,698	33,176	329,585
Carrying amount				
At 31 July 2020	308,156	5,458	4,422	318,036
At 31 July 2019	235,722	7,487	2,794	246,003

11 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	12	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 August 2019 & 31 July 2020	1
Carrying amount	
At 31 July 2020	1
At 31 July 2019	1

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

12 Subsidiaries

These financial statements are separate company financial statements for Laser Lines Limited.

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Laser Lines (UK) Limited	England	Dormant	100.00	

13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,682,522	1,609,574

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	884,353	2,459,581
Other debtors	34,048	-
Prepayments and accrued income	89,199	80,650
	1,007,600	2,540,231

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	5,981,570	5,362,436
Total debtors	6,989,170	7,902,667

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	647,871	2,323,368
Corporation tax	95,832	94,738
Other taxation and social security	361,952	648,758
Other creditors	146,138	20,000
Accruals and deferred income	684,228	661,110
	1,936,021	3,747,974

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

16 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	17	32,695	13,014
		<u> </u>	<u> </u>

17 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
ACAs	32,695	13,014
	<u> </u>	<u> </u>
Movements in the year:		2020 £
Liability at 1 August 2019		13,014
Charge to profit or loss		19,681
		<u> </u>
Liability at 31 July 2020		32,695
		<u> </u>

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

18 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	64,550	53,323
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>

LASER LINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

20 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:

	2020 £	2019 £
Within one year	111,695	182,488
Between two and five years	61,711	355,541
	<u>173,406</u>	<u>538,029</u>

21 Ultimate controlling party

The company's immediate and ultimate parent undertaking is Laser Lines Group Limited.

In the opinion of the directors, there is no ultimate controlling party.

22 Cash (absorbed by)/generated from operations

	2020 £	2019 £
Profit for the year after tax	452,027	738,269
Adjustments for:		
Taxation charged	113,702	148,369
Finance costs	34,281	52,664
Investment income	(910)	(3,420)
Gain on disposal of tangible fixed assets	-	(41,579)
Depreciation and impairment of tangible fixed assets	59,161	80,004
Movements in working capital:		
(Increase)/decrease in stocks	(72,948)	454,172
Decrease/(increase) in debtors	913,497	(1,530,628)
(Decrease)/increase in creditors	(1,813,047)	627,097
Cash (absorbed by)/generated from operations	<u>(314,237)</u>	<u>524,948</u>

23 Analysis of changes in net funds

	1 August 2019 £	Cash flows £	31 July 2020 £
Cash at bank and in hand	<u>676,712</u>	<u>(571,729)</u>	<u>104,983</u>

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