

**LS ENGINEERING SHROPSHIRE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019**

LS Engineering Shropshire Limited
Unaudited Financial Statements
For The Year Ended 31 October 2019

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LS Engineering Shropshire Limited
Balance Sheet
As at 31 October 2019

Registered number: 06595577

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	5		542,890		549,836
Investments	6		98,096		-
			<u>640,986</u>		<u>549,836</u>
CURRENT ASSETS					
Stocks	7	46,670		30,000	
Debtors	8	630,777		427,672	
Cash at bank and in hand		398,568		435,871	
		<u>1,076,015</u>		<u>893,543</u>	
Creditors: Amounts Falling Due Within One Year	9	(513,065)		(328,444)	
		<u></u>		<u></u>	
NET CURRENT ASSETS (LIABILITIES)			<u>562,950</u>		<u>565,099</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,203,936</u>		<u>1,114,935</u>
Creditors: Amounts Falling Due After More Than One Year	10		(213,432)		(215,923)
			<u></u>		<u></u>
PROVISIONS FOR LIABILITIES					
Deferred Taxation			(36,420)		(37,635)
			<u></u>		<u></u>
NET ASSETS			<u>954,084</u>		<u>861,377</u>
CAPITAL AND RESERVES					
Called up share capital	12	100		100	
Profit and Loss Account		953,984		861,277	
		<u>954,084</u>		<u>861,377</u>	
SHAREHOLDERS' FUNDS			<u>954,084</u>		<u>861,377</u>

LS Engineering Shropshire Limited
Balance Sheet (continued)
As at 31 October 2019

For the year ending 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities

- The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Lee Smith

Director

15 July 2020

The notes on pages 3 to 8 form part of these financial statements.

LS Engineering Shropshire Limited
Notes to the Financial Statements
For The Year Ended 31 October 2019

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The company has taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

1.2. Turnover

Turnover comprises the invoiced value of goods and services supplied by the company to its customers, net of Value Added Tax and any trade discounts.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.3. Intangible Fixed Assets and Amortisation - Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. It has been fully amortised.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold	2% Straight Line
Plant & Machinery	25% Reducing Balance
Motor Vehicles	25% Reducing Balance
Fixtures & Fittings	25 % Reducing Balance

1.5. Leasing and Hire Purchase Contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts 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 the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6. Stocks and Work in Progress

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2019

1.7. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.8. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.9. Investments

Investments in shares are included at cost less impairment.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2019	2018
Office and administration	4	4
Sales, marketing and distribution	1	1
Manufacturing	15	13
	<u>20</u>	<u>18</u>

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2019

4. Intangible Assets

	Goodwill
	£
Cost	
As at 1 November 2018	25,000
As at 31 October 2019	25,000
Amortisation	
As at 1 November 2018	25,000
As at 31 October 2019	25,000
Net Book Value	
As at 31 October 2019	-
As at 1 November 2018	-

5. Tangible Assets

	Land & Property				
	Freehold	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
As at 1 November 2018	333,105	341,787	57,595	21,749	754,236
Additions	10,070	60,046	38,250	7,785	116,151
Disposals	-	-	(11,500)	-	(11,500)
As at 31 October 2019	343,175	401,833	84,345	29,534	858,887
Depreciation					
As at 1 November 2018	21,348	140,542	34,682	7,828	204,400
Provided during the period	6,864	87,411	17,564	7,383	119,222
Disposals	-	1,000	(8,625)	-	(7,625)
As at 31 October 2019	28,212	228,953	43,621	15,211	315,997
Net Book Value					
As at 31 October 2019	314,963	172,880	40,724	14,323	542,890
As at 1 November 2018	311,757	201,245	22,913	13,921	549,836

Included above are assets held under finance leases or hire purchase contracts with a net book value as follows:

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2019

	2019	2018
	£	£
Motor Vehicles	28,688	-
	<u>28,688</u>	<u>-</u>
6. Investments		
		Unlisted
		£
Cost		
As at 1 November 2018		-
Additions		98,096
As at 31 October 2019		<u>98,096</u>
Provision		
As at 1 November 2018		-
As at 31 October 2019		<u>-</u>
Net Book Value		
As at 31 October 2019		<u>98,096</u>
As at 1 November 2018		<u>-</u>
7. Stocks		
	2019	2018
	£	£
Stock - materials	15,000	15,000
Stock - work in progress	31,670	15,000
	<u>46,670</u>	<u>30,000</u>
8. Debtors		
	2019	2018
	£	£
Due within one year		
Trade debtors	438,229	257,703
Prepayments and accrued income	26,197	22,585
Other debtors	61,706	28,392
Director's loan account	104,645	118,992
	<u>630,777</u>	<u>427,672</u>

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2019

9. Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Net obligations under finance lease and hire purchase contracts	6,883	-
Trade creditors	263,172	139,482
Bank loans and overdrafts	27,739	22,932
Corporation tax	35,505	4,618
Other taxes and social security	17,143	11,637
VAT	82,858	75,461
Other creditors	8,108	3,416
Accruals and deferred income	71,657	70,898
	<u>513,065</u>	<u>328,444</u>

The bank loan balance is secured by a fixed and floating charge over the company's assets.

10. Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£	£
Net obligations under finance lease and hire purchase contracts	25,248	-
Bank loans	188,184	215,923
	<u>213,432</u>	<u>215,923</u>

11. Obligations Under Finance Leases and Hire Purchase

	2019	2018
	£	£
The maturity of these amounts is as follows:		
Amounts Payable:		
Within one year	6,883	-
Between one and five years	25,248	-
	<u>32,131</u>	<u>-</u>
	<u>32,131</u>	<u>-</u>

12. Share Capital

	2019	2018
Allotted, Called up and fully paid	<u>100</u>	<u>100</u>

13. Pension Commitments

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date unpaid contributions of £3,406 (2018: £NIL) were due to the fund.

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2019

14. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors:

	As at 1 November 2018	Amounts advanced	Amounts repaid	Amounts written off	As at 31 October 2019
	£	£	£	£	£
Mr Lee Smith	118,992	104,645	(118,992)	-	104,645

The above loan is unsecured and repayable on demand. Interest of 2.5% has been charged.

15. Related Party Transactions

Included within amounts owed from other debtors is a balance of £61,706 (2018: £28,392) owed from companies under common control.

16. General Information

LS Engineering Shropshire Limited is a private company, limited by shares, incorporated in England & Wales, registered number 06595577. The registered office is Unit B1, Halesfield 8, Telford, Shropshire, TF7 4QN.

The financial statements are presented in pound sterling.

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.