

**LS ENGINEERING SHROPSHIRE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

LS Engineering Shropshire Limited
Unaudited Financial Statements
For The Year Ended 31 October 2023

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LS Engineering Shropshire Limited
Balance Sheet
As At 31 October 2023

Registered number: 06595577

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	5		397,544		812,969
Investments	6		-		98,096
			397,544		911,065
CURRENT ASSETS					
Stocks	7	48,200		34,700	
Debtors	8	1,413,753		989,835	
Cash at bank and in hand		654,333		644,939	
		2,116,286		1,669,474	
Creditors: Amounts Falling Due Within One Year	9	(969,572)		(502,277)	
NET CURRENT ASSETS (LIABILITIES)			1,146,714		1,167,197
TOTAL ASSETS LESS CURRENT LIABILITIES			1,544,258		2,078,262
Creditors: Amounts Falling Due After More Than One Year	10	(181,735)		(387,216)	
PROVISIONS FOR LIABILITIES					
Deferred Taxation			(95,701)		(67,287)
NET ASSETS			1,266,822		1,623,759
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Profit and Loss Account			1,266,722		1,623,659
SHAREHOLDERS' FUNDS			1,266,822		1,623,759

LS Engineering Shropshire Limited
Balance Sheet (continued)
As At 31 October 2023

For the year ending 31 October 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

8 May 2024

The notes on pages 3 to 7 form part of these financial statements.

LS Engineering Shropshire Limited
Notes to the Financial Statements
For The Year Ended 31 October 2023

1. 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, TF7 4QN.

The financial statements are presented in pound sterling.

2. Accounting Policies

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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

2.5. 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.

2.6. 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.

2.7. Foreign Currencies

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2023

2.8. 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.

2.9. 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.

2.10. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

2.11. Investments

Investments in shares are included at cost less impairment.

3. Average Number of Employees

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

	2023	2022
Office and administration	5	5
Sales, marketing and distribution	1	1
Manufacturing	22	20
	<u>28</u>	<u>26</u>

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2023

4. Intangible Assets

	Goodwill
	£
Cost	
As at 1 November 2022	25,000
As at 31 October 2023	25,000
Amortisation	
As at 1 November 2022	25,000
As at 31 October 2023	25,000

5. Tangible Assets

	Land & Property Freehold	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
As at 1 November 2022	504,671	649,003	97,468	40,275	1,291,417
Additions	-	36,410	147,151	-	183,561
Disposals	(504,671)	-	(48,156)	-	(552,827)
As at 31 October 2023	-	685,413	196,463	40,275	922,151
Depreciation					
As at 1 November 2022	55,784	331,932	64,829	25,903	478,448
Provided during the period	-	88,370	40,552	3,593	132,515
Disposals	(55,784)	-	(30,572)	-	(86,356)
As at 31 October 2023	-	420,302	74,809	29,496	524,607
Net Book Value					
As at 31 October 2023	-	265,111	121,654	10,779	397,544
As at 1 November 2022	448,887	317,071	32,639	14,372	812,969

6. Investments

	Unlisted
	£
Cost	
As at 1 November 2022	98,096
As at 31 October 2023	98,096
Provision	
As at 1 November 2022	-
Impairment losses	98,096
As at 31 October 2023	98,096
Net Book Value	
As at 31 October 2023	-
As at 1 November 2022	98,096

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2023

Investments comprised of ordinary shares held comprising 100% of the issued share capital in Weldwell Fabrications Limited. The subsidiary was dissolved in July 2022.

7. Stocks

	2023	2022
	£	£
Materials	33,200	22,200
Work in progress	15,000	12,500
	<u>48,200</u>	<u>34,700</u>

8. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	436,321	535,576
Prepayments and accrued income	27,389	21,997
Other debtors	825,093	432,262
Director's loan account	124,950	-
	<u>1,413,753</u>	<u>989,835</u>

9. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	175,693	172,957
Bank loans and overdrafts	440,859	40,752
Corporation tax	61,928	129,193
Other taxes and social security	26,192	16,185
VAT	107,073	38,666
Other creditors	38,837	4,297
Accruals and deferred income	68,359	70,530
Director's loan account	-	9,126
Amounts owed to group undertakings	50,631	20,571
	<u>969,572</u>	<u>502,277</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

	2023	2022
	£	£
Bank loans	181,735	387,216
	<u>181,735</u>	<u>387,216</u>

12. Share Capital

	2023	2022
	£	£
Allotted, Called up and fully paid	100	100

LS Engineering Shropshire Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 October 2023

13. Other Commitments

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

	2023	2022
	£	£
Not later than one year	66,000	-
Later than one year and not later than five years	264,000	-
Later than five years	11,000	-
	<u>341,000</u>	<u>-</u>

14. 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 £3,538 (2022: £2,186) were due to the fund.

15. Directors Advances, Credits and Guarantees

Included within Debtors are the following loans to directors:

	As at 1 November 2022	Amounts advanced	Amounts repaid	Amounts written off	As at 31 October 2023
	£	£	£	£	£
Mr Lee Smith	(9,125)	243,157	(109,082)	-	124,950

The above loan is unsecured and repayable on demand. Interest of 2.25% has been charged on the outstanding balance (prior to 6 April 2023 interest at 2%). There were no further conditions attached. The loan was repaid in full by 11 March 2024.

16. Related Party Transactions

Included within other debtors is a balance of £823,842 (2022: £432,262) owed by companies under common control. No interest was charged on the outstanding amount and there were no conditions attached.

On 21 December 2022 the company transferred freehold land and property with a net book value of £448,886 to the parent company by way of a dividend in specie.

Included within creditors is a balance of £50,631 (2022: £20,571) owed to companies within the group. No interest was charged on the outstanding amount and there were no conditions attached.

During the year a balance of £20,571 owed to a connected company was written off between the two parties.

17. Ultimate Parent Undertaking and Controlling Party

On 22 November 2022 the shareholders exchanged their shares in the company for new shares issued in D & S Holdings Shropshire Ltd such that from 22 November 2022 the company became a 100% subsidiary of D & S Holdings Shropshire Ltd , a company incorporated in England & Wales.

The ultimate controlling party is the shareholders in the parent company.

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