

Registered number: SC222611

LIVINGSTON PRECISION (ENGINEERING) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



LIVINGSTON PRECISION (ENGINEERING) LIMITED

COMPANY INFORMATION

Directors	J Jamieson S J Scott
Registered number	SC222611
Registered office	28 Firth Road Houstoun Industrial Estate Livingston EH54 5DJ
Independent auditor	French Duncan LLP Chartered Accountants & Statutory Auditor 56 Palmerston Place Edinburgh EH12 5AY

LIVINGSTON PRECISION (ENGINEERING) LIMITED

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LIVINGSTON PRECISION (ENGINEERING) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their strategic report for the year ended 31 December 2020.

Business review and key performance indicators

The key performance indicators for the company are turnover and profit. The directors are pleased to report a pre-tax profit of £3,558,755 for the year (2019 - £2,924,688). This is based on turnover of £17,080,836 (2019 - £14,821,777). Shareholders' funds at 31 December 2020 were £32,863,665 (2019 - £29,933,593).

Since March 2020 the Covid-19 pandemic continues to cause unprecedented uncertainty and disruption, however, the company has adapted to these challenges resulting in increased sales and profit compared to budget and the 2019 year. Further details are given in note 2.3 of the accounting policies.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are:

Competitive Pressure - The company continues to work closely with customers to build customer loyalty and meet the needs of our diverse customer base. We work with customers to improve the product in terms of both cost and design, driving out costs before they are designed in and assuring that designs are process capable.

Maintaining Margins - By working with our customers at the start of a contract we can maximise benefits for both the company and the customer from any savings made by a change in design or process. The volatility of raw material price increases and availability will be a major concern in the coming year.

Covid-19 - The directors continue to monitor the ongoing impact of the pandemic and take appropriate action to protect the company and its staff.

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



.....
J Jamieson
Director

Date: 2 June 2021

LIVINGSTON PRECISION (ENGINEERING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors' responsibilities statement

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;
- 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.

Principal activity

The principal activity of the company continued to be that of the manufacturing of precision sheet metal components and assemblies primarily for the electronics industry.

Results and dividends

The profit for the year, after taxation, amounted to £2,930,072 (2019 - £2,414,126).

The company paid dividends of £nil (2019 - £nil) during the year.

Directors

The directors who served during the year, and to the date of this report, were:

J Jamieson
S J Scott

Future developments

The core focus of the company remains the manufacturing of precision sheet metal components and assemblies primarily for the electronics industry.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, French Duncan LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
J Jamieson
Director

Date: 2 June 2021

LIVINGSTON PRECISION (ENGINEERING) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGSTON PRECISION (ENGINEERING) LIMITED

Opinion

We have audited the financial statements of Livingston Precision (Engineering) Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, 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 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 31 December 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 United Kingdom, including the Financial Reporting Council'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.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGSTON PRECISION (ENGINEERING) LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGSTON PRECISION (ENGINEERING) LIMITED (CONTINUED)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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:

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to general legislation, breaches of health & safety regulations and tax legislation. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk was related to posting journal entries to manipulate revenue and profit. Audit procedures performed by the engagement team included:

LIVINGSTON PRECISION (ENGINEERING) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVINGSTON PRECISION (ENGINEERING) LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations including fraud;
- enquiring of management as to actual and potential litigation and claims;
- identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- challenging assumptions and judgements made by management, in their significant accounting estimates;
- performing analytical procedures to identify any unusual or unexpected relationships, investigating the rationale behind significant or unusual transactions and agreeing financial statement disclosures to underlying supporting documentation; and
- identifying and testing journal entries, in particular journal entries posted with unusual account combinations, journal entries posted by unexpected users, backdated journals and journals with unusual descriptions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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



Antony J Sinclair (Senior Statutory Auditor)

for and on behalf of
French Duncan LLP

Chartered Accountants & Statutory Auditor

56 Palmerston Place
Edinburgh
EH12 5AY

2 June 2021

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	17,080,836	14,821,777
Cost of sales		(10,630,665)	(8,788,938)
Gross profit		6,450,171	6,032,839
Administrative expenses		(2,787,763)	(2,962,668)
Operating profit	5	3,662,408	3,070,171
Interest receivable and similar income	7	142	993
Interest payable and similar charges	8	(103,795)	(128,476)
Profit before tax		3,558,755	2,942,688
Tax on profit	9	(628,683)	(528,562)
Profit after tax		2,930,072	2,414,126
 Retained earnings at the beginning of the year		 29,933,592	 27,519,466
Profit for the year		2,930,072	2,414,126
Retained earnings at the end of the year		32,863,664	29,933,592

The notes on pages 10 to 23 form part of these financial statements.

LIVINGSTON PRECISION (ENGINEERING) LIMITED
REGISTERED NUMBER: SC222611

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	1,202,889	1,568,736
Current assets			
Stocks	11	442,966	452,124
Debtors	12	33,171,823	32,004,620
Cash at bank and in hand	13	252,704	83,225
		<u>33,867,493</u>	<u>32,539,969</u>
Creditors: amounts falling due within one year	14	(2,206,717)	(3,998,797)
Net current assets		<u>31,660,776</u>	<u>28,541,172</u>
Total assets less current liabilities		<u>32,863,665</u>	<u>30,109,908</u>
Creditors: amounts falling due after more than one year	15	-	(176,315)
Net assets		<u><u>32,863,665</u></u>	<u><u>29,933,593</u></u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	19	32,863,684	29,933,592
		<u><u>32,863,685</u></u>	<u><u>29,933,593</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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J Jamieson
 Director

Date: 2 June 2021

The notes on pages 10 to 23 form part of these financial statements.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

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

1. General information

The company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is 28 Firth Road, Houston Industrial Estate, Livingston, EH54 5DJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The 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' - carrying amounts, interest income / expenses and net gains / losses for each category of financial instrument, basis of determining fair values; details of collateral loan defaults or breaches, details of hedge, hedging of fair value changes recognised in profit or loss and in other comprehensive income;

Section 33 'Related Party Disclosures' - compensation for key management personnel.

2.3 Going concern

The directors review and update forecasts and budgets to ensure the company has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

The directors believe that the company has a strong relationship with its customer base, and the demand for its products and services will continue. Turnover increased during the 2020 financial year, despite the uncertainty and challenges of Covid-19. The directors are confident that the company will continue to trade well in the future.

The company manages its cash flow through an invoice discount facility with significant headroom available and has utilised Covid-19 government support where appropriate. As a result, the directors are satisfied that the company will have adequate resources to meet its liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements and hence the accounts continue to be prepared on a going concern basis.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.6 Tangible fixed assets

Tangible fixed assets 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.

Depreciation 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 property	- 4% - 10% per annum
Plant and machinery	- 15% per annum
Motor vehicles	- 25% per annum
Furniture and equipment	- 15% - 25% per annum

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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 in profit or loss.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

2.10 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 debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.11 Creditors

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

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Government grants

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

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

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 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 reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effects on amounts recognised in the financial statements:

Property, plant and equipment

The estimates and assumptions made to determine asset lives require judgements to be made as regards to useful lives and residual values. The useful lives and residual values of the company's fixed assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets. Historically, changes in useful lives have not resulted in material changes to the company's depreciation charge.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	16,479,890	13,931,025
Rest of Europe	446,200	728,440
Rest of the world	154,746	162,312
	<u>17,080,836</u>	<u>14,821,777</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	398,272	621,585
Exchange differences	1,875	(3,343)
Fees payable to the company's auditor for the audit of the company's annual financial statements	8,100	7,900
	<u>8,100</u>	<u>7,900</u>

During the year, no director received any emoluments (2019 - £NIL).

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Employees

	2020 £	2019 £
Wages and salaries	3,425,839	3,240,244
Social security costs	311,926	282,369
Cost of defined contribution scheme	172,033	155,215
	<u>3,909,798</u>	<u>3,677,828</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Production staff	129	118
Office and management staff	13	14
	<u>142</u>	<u>132</u>

7. Interest receivable and similar income

	2020 £	2019 £
Other interest receivable	<u>142</u>	<u>993</u>

8. Interest payable and similar charges

	2020 £	2019 £
Loan interest payable	8,825	28,915
Invoice financing charges	94,970	99,561
	<u>103,795</u>	<u>128,476</u>

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	659,138	561,548
Total current tax	<u>659,138</u>	<u>561,548</u>
Deferred tax		
Origination and reversal of timing differences	(30,455)	(32,986)
Total deferred tax	<u>(30,455)</u>	<u>(32,986)</u>
Taxation on profit on ordinary activities	<u>628,683</u>	<u>528,562</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>3,558,755</u>	<u>2,942,688</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	676,163	559,111
Effects of:		
Expenses not deductible for tax purposes	247	569
Fixed asset differences	13,332	14,260
Other differences leading to an increase / (decrease) in the tax charge	(15,637)	3,880
Group relief	(45,422)	(49,258)
Total tax charge for the year	<u>628,683</u>	<u>528,562</u>

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Furniture & equipment £	Total £
Cost or valuation					
At 1 January 2020	1,810,258	8,400,006	188,830	216,133	10,615,227
Additions	-	32,425	-	-	32,425
At 31 December 2020	1,810,258	8,432,431	188,830	216,133	10,647,652
Depreciation					
At 1 January 2020	1,170,380	7,521,994	188,830	165,287	9,046,491
Charge for the year on owned assets	70,186	296,709	-	31,377	398,272
At 31 December 2020	1,240,566	7,818,703	188,830	196,664	9,444,763
Net book value					
At 31 December 2020	569,692	613,728	-	19,469	1,202,889
At 31 December 2019	639,878	878,012	-	50,846	1,568,736

11. Stocks

	2020 £	2019 £
Raw materials	124,757	123,126
Work in progress	144,598	171,885
Finished goods and goods for resale	173,611	157,113
	442,966	452,124

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Debtors

	2020	2019
	£	£
Trade debtors	2,551,651	3,338,361
Amounts owed by group undertakings	30,384,572	28,533,341
Corporation tax	72,227	-
Deferred taxation	163,373	132,918
	<u>33,171,823</u>	<u>32,004,620</u>

13. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	252,704	83,225
Less: invoice financing	(452,029)	(1,728,056)
	<u>(199,325)</u>	<u>(1,644,831)</u>

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	452,029	1,728,056
Bank loans	176,315	423,204
Trade creditors	990,349	1,163,173
Amounts owed to group undertakings	3,272	87,651
Corporation tax	-	232,708
Other taxation and social security	402,898	259,307
Accruals and deferred income	181,854	104,698
	<u>2,206,717</u>	<u>3,998,797</u>

The invoice financing facility is secured by a bond and floating charge over the assets of the company.

The bank loan is secured by a fixed charge over the plant and machinery of the company, bears interest at 2.75% above Barclays Bank Base Rate (BBBR) and is repayable in monthly instalments by 31 May 2021.

There is also a guarantee in place in respect of these facilities from the immediate parent undertaking and fellow subsidiaries in the group (see note 20) secured by fixed charges over plant and machinery and a bond and floating charge.

15. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	-	176,315
	<u>-</u>	<u>176,315</u>

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loan	176,315	423,204
Amounts falling due 1-2 years		
Bank loan	-	176,315
	<u>176,315</u>	<u>599,519</u>

17. Deferred taxation

	2020 £	2019 £
At beginning of year	132,918	99,932
Credited to the statement of income and retained earnings	30,455	32,986
At end of year	<u>163,373</u>	<u>132,918</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	131,472	111,379
Other timing differences	31,901	21,539
	<u>163,373</u>	<u>132,918</u>

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

LIVINGSTON PRECISION (ENGINEERING) LIMITED

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

19. Reserves

Profit and loss account

The profit and loss account represents accumulated profits for the company less distributions made to shareholders.

20. Contingent liabilities

A cross guarantee exists with The Flexible Manufacturing Group Limited, Deans Engineering (Livingston) Limited and Flexible Surface Technology Limited in respect of a master facilities agreement in place with PNC Business Credit.

At 31 December 2020, amounts owed to PNC Business Credit in respect of the above related companies were £nil (2019 - £nil).

In addition to the above, the company has granted a bond and floating charge over the assets of the company in respect of a loan between FMG (Holdings) Limited and its ultimate parent undertaking, CorpAcq Limited. This floating charge ranks in priority to the security granted to PNC Business Credit only with regards to the company's freehold properties.

At 31 December 2020, the amount owed by FMG (Holdings) Limited to CorpAcq Limited was £9,070,000 (2019 - £9,070,000).

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £27,222 (2019 - £20,372) were payable to the fund at the reporting date and are included in accruals.

22. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	5,322	935
Later than 1 year and not later than 5 years	14,177	7,008
	<u>19,499</u>	<u>7,943</u>

23. Related party transactions

The company has taken advantage of the exemption in section 33.1A of FRS 102 not to disclose transactions and balances with other wholly owned members of the group.

LIVINGSTON PRECISION (ENGINEERING) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24. Controlling party

The immediate parent company is The Flexible Manufacturing Group Limited, a company registered in Scotland. The ultimate parent company is Orange UK Holdings Limited, a company registered in England.

The largest and smallest group in which results of the company are consolidated is that headed by CorpAcq Limited. The consolidated financial statements of the group are available from CorpAcq Limited at CorpAcq House, 1 Goose Green, Altrincham, Cheshire, WA14 1DW.

The directors consider that, by virtue of his shareholding in the ultimate parent company, the ultimate controlling party is Mr S Orange.