

Company Registration No. 01760303 (England and Wales)

LUND BROS & CO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

PAGES FOR FILING WITH REGISTRAR

# LUND BROS & CO LIMITED

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# LUND BROS & CO LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Non-current assets</b>					
Property, plant and equipment	5		1,007,591		686,022
<b>Current assets</b>					
Inventories		213,800		189,152	
Trade and other receivables	6	2,885,958		2,908,487	
Cash and cash equivalents		90,411		190,994	
		<u>3,190,169</u>		<u>3,288,633</u>	
<b>Current liabilities</b>	7	(1,221,083)		(2,083,229)	
<b>Net current assets</b>			1,969,086		1,205,404
<b>Total assets less current liabilities</b>			2,976,677		1,891,426
<b>Non-current liabilities</b>	8		(719,880)		(154,093)
<b>Provisions for liabilities</b>			(114,200)		(43,500)
<b>Net assets</b>			<u>2,142,597</u>		<u>1,693,833</u>
<b>Equity</b>					
Called up share capital	10		100,000		100,000
Retained earnings			2,042,597		1,593,833
<b>Total equity</b>			<u>2,142,597</u>		<u>1,693,833</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 20 June 2023 and are signed on its behalf by:

Mr S Stephens  
Director

Company Registration No. 01760303

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Lund Bros & Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brookside Trading Estate, Brookside Avenue, Rustington, West Sussex, BN16 3LF.

#### **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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

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

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered relevant information, including the company's principal risks and uncertainties, the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **1.3 Revenue**

Revenue represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed.

#### **1.4 Property, plant and equipment**

Property, plant and equipment 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	10% diminishing balance per annum
Fixtures, fittings & equipment	10% or 25% diminishing balance per annum
Motor vehicles	25% diminishing balance per annum

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 Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.6 Work in progress

Where the outcome of work in progress can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the activity. The stage of completion is measured by the proportion of contract costs incurred for work performed to the statement of financial position date compared to the estimated total contract costs.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 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.

##### **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.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.13 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Critical judgements

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

#### *Work in progress (amounts recoverable on long-term contracts)*

The directors have made key assumptions in determining the appropriate amount of income recognised in each accounting period for contracts in progress at the year end date based on stage of completion.

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 63 (2021 - 50).

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 October 2021 and 30 September 2022	33,000
<b>Amortisation and impairment</b>	
At 1 October 2021 and 30 September 2022	33,000
<b>Carrying amount</b>	
At 30 September 2022	-
At 30 September 2021	-

### 5 Property, plant and equipment

	Plant and fixtures, machinery	fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2021	1,047,033	154,075	166,519	1,367,627
Additions	625,250	4,169	41,330	670,749
Disposals	(406,450)	(8,377)	(30,124)	(444,951)
At 30 September 2022	1,265,833	149,867	177,725	1,593,425
<b>Depreciation and impairment</b>				
At 1 October 2021	471,338	137,496	72,771	681,605
Depreciation charged in the year	96,936	4,414	28,795	130,145
Eliminated in respect of disposals	(192,240)	(7,655)	(26,021)	(225,916)
At 30 September 2022	376,034	134,255	75,545	585,834
<b>Carrying amount</b>				
At 30 September 2022	889,799	15,612	102,180	1,007,591
At 30 September 2021	575,695	16,579	93,748	686,022

### 6 Trade and other receivables

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade receivables	1,418,687	988,019
Corporation tax recoverable	48,111	-
Amounts owed by group undertakings	405,839	388,205
Other receivables	1,013,321	1,532,263
	2,885,958	2,908,487

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 7 Current liabilities

	2022 £	2021 £
Bank loans and overdrafts	38,472	226,161
Trade payables	508,165	651,133
Amounts owed to group undertakings	47,776	40,113
Taxation and social security	117,357	33,054
Other payables	509,313	1,132,768
	<u>1,221,083</u>	<u>2,083,229</u>

Included within other payables (both current and non-current) is an amount of £912,042 (2021 - £243,665) relating to finance leases which are secured against their respective fixed assets within property, plant and equipment.

Bank loans and overdrafts are secured as detailed in note 12.

### 8 Non-current liabilities

	2022 £	2021 £
Other payables	719,880	154,093
	<u>719,880</u>	<u>154,093</u>

### 9 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	55,601	42,238
	<u>55,601</u>	<u>42,238</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.

Included in current liabilities is an amount of £9,993 (2021 - £6,810) due to defined contribution schemes.

### 10 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>



# **LUND BROS & CO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Robin Evans BA FCA CTA.

The auditor was Carpenter Box.

Carpenter Box is a trading name of Carpenter Box Limited

#### **12 Financial commitments, guarantees and contingent liabilities**

Banking facilities are secured by a cross guarantee and debenture dated 2 May 2013 between, the company, Chatsworth Forge Group Limited, Lund Bros (Holdings) Limited and Wastadel Limited. The extent of the contingent liability at the year end amounted to £732,756 (2021 - £996,515).

#### **13 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases totalling £56,810 (2021 - £71,350).

#### **14 Events after the reporting date**

Since the reporting date, the company has entered into a new hire purchase agreement for fixed assets at a cost of £94,363, of which £84,927 is financed under the agreement, payable over 48 months.

Since the reporting date, the company has also entered into a new non-cancellable operating lease agreement, under which the commitment for future minimum lease payments is £170,000 over 5 years.

#### **15 Parent company**

The ultimate parent company is Chatsworth Forge Group Limited. Their registered office is Lunds, Brookside Avenue, Rustington, West Sussex BN16 3LF.

Chatsworth Forge Group Limited prepares consolidated financial statements and copies can be obtained from Companies House.

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.