

Company Registration No. 01760303 (England and Wales)

LUND BROS & CO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020

	Notes	2020 £	£	2019 £	£
<b>Non-current assets</b>					
Property, plant and equipment	4		679,107		763,872
<b>Current assets</b>					
Inventories		145,152		189,035	
Trade and other receivables	5	1,559,515		1,760,536	
Cash and cash equivalents		434,366		146,672	
		<u>2,139,033</u>		<u>2,096,243</u>	
<b>Current liabilities</b>	6	<u>(1,025,267)</u>		<u>(1,063,450)</u>	
<b>Net current assets</b>			1,113,766		1,032,793
<b>Total assets less current liabilities</b>			<u>1,792,873</u>		<u>1,796,665</u>
<b>Non-current liabilities</b>	7		(181,665)		(258,428)
<b>Provisions for liabilities</b>			<u>(22,400)</u>		<u>(20,700)</u>
<b>Net assets</b>			<u>1,588,808</u>		<u>1,517,537</u>
<b>Equity</b>					
Called up share capital	9		100,000		100,000
Retained earnings			1,488,808		1,417,537
<b>Total equity</b>			<u>1,588,808</u>		<u>1,517,537</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 22 June 2021 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 2020

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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 "Lunds", 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

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows, the value of future orders and the impact of subsequent events in making their assessment. COVID-19 has inevitably introduced uncertainties over the future but the order book remains strong. The pandemic and the ensuing economic shutdown has also had a significant impact on the company's operations but these have been able to continue with certain measures introduced as required for social distancing. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

#### 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.

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies (Continued)

#### 1.5 Inventories

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

#### 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 2020

### 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.

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Income is recognised when the proceeds are received or receivable.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 54 (2019 - 57).

### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 October 2019 and 30 September 2020	33,000
<b>Amortisation and impairment</b>	
At 1 October 2019 and 30 September 2020	33,000
<b>Carrying amount</b>	
At 30 September 2020	-
At 30 September 2019	-

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 4 Property, plant and equipment

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2019	1,040,601	150,029	120,118	1,310,748
Additions	-	277	-	277
At 30 September 2020	1,040,601	150,306	120,118	1,311,025
<b>Depreciation and impairment</b>				
At 1 October 2019	337,784	128,439	80,653	546,876
Depreciation charged in the year	70,282	4,895	9,865	85,042
At 30 September 2020	408,066	133,334	90,518	631,918
<b>Carrying amount</b>				
At 30 September 2020	632,535	16,972	29,600	679,107
At 30 September 2019	702,817	21,590	39,465	763,872

### 5 Trade and other receivables

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade receivables	762,395	781,244
Amounts owed by group undertakings	394,728	416,993
Other receivables	402,392	562,299
	1,559,515	1,760,536

# LUND BROS & CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 6 Current liabilities

	2020 £	2019 £
Bank loans and overdrafts	235,744	250,900
Trade payables	156,507	254,905
Amounts owed to group undertakings	214,283	233,370
Taxation and social security	196,770	136,126
Other payables	221,963	188,149
	<u>1,025,267</u>	<u>1,063,450</u>

Included within other payables (both current and non-current) is an amount of £258,429 (2019 - £335,192) 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 11.

### 7 Non-current liabilities

	2020 £	2019 £
Other payables	181,665	258,428
	<u>181,665</u>	<u>258,428</u>

### 8 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	44,853	40,902
	<u>44,853</u>	<u>40,902</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 £2,349 (2019 - £1,859) due to defined contribution schemes.

### 9 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital 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>

### 10 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.

# **LUND BROS & CO LIMITED**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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### **10 Audit report information**

**(Continued)**

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

### **11 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, Chatsworth Forge Limited, Lund Bros (Holdings) Limited and Wastadel Limited. The extent of the contingent liability at the year end amounted to £1,094,736 (2019 - £1,218,305).

### **12 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases totalling £85,890 (2019 - £105,164).

### **13 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.