

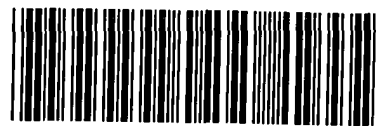
COMPANY REGISTRATION NUMBER 06287006

**BRADMAN-LAKE LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2018**

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**BRADMAN-LAKE LIMITED**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2018**

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**BRADMAN-LAKE LIMITED**

**OFFICERS AND PROFESSIONAL ADVISORS**

**YEAR ENDED 31 DECEMBER 2018**

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**Directors**

B J Langley  
J Marlee

**Company secretary**

B J Langley

**Registered office**

Enterprise Way  
Retford  
Nottinghamshire  
DN22 7HH

**Auditor**

Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**Bankers**

Barclays Bank plc  
One Snowhill  
Snowhill Queensway  
Birmingham  
B3 2WN

## **BRADMAN-LAKE LIMITED**

### **DIRECTORS' REPORT**

#### **YEAR ENDED 31 DECEMBER 2018**

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The Directors have pleasure in presenting their Report and the Financial Statements of the Company for the year to 31 December 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company during the period was that of the manufacture and sale of packaging equipment.

#### **RESULTS AND DIVIDENDS**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached Financial Statements.

The Company generated a trading profit before taxation of €1,083,870 (2017 – loss €1,708,155).

The Directors have not recommended a final dividend. An interim dividend of €nil (2017 – €2,911,521) was paid to Bradman-Lake Group Limited.

#### **DIRECTORS**

The Directors who served the Company during the year were as follows:

B A Watson – resigned on 1 April 2018

J Marlee

B J Langley – appointed on 1 April 2018

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**BRADMAN-LAKE LIMITED**

**DIRECTORS' REPORT (continued)**

**YEAR ENDED 31 DECEMBER 2018**

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**DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' Report, the Strategic 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- 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 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.

Signed by order of the Directors



**J Marlee**  
Director

Approved by the Directors on 29/5/..... 2019

**BRADMAN-LAKE LIMITED**

**STRATEGIC REPORT**

**YEAR ENDED 31 DECEMBER 2018**

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The Directors present their Strategic Report for the year ended 31 December 2018.

**(a) Development performance and position**

The Directors are satisfied with the trading results of the Company for the year and they are confident of the future prospects of the Company.

**(b) Principal risks and uncertainties**

The Directors of Langley Holdings plc manage the Group's risks at a group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of Bradman-Lake Limited. The principal risks and uncertainties of Langley Holdings plc, which include those of Bradman-Lake Limited, are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

**(c) Financial Risk Management**

The Company's operations expose it to a variety of financial risks, which include cash flow fluctuation.

The Company has committed credit facilities made available through the Group.

The policies set down by the Board of Directors are implemented by the Company's finance department and are subject to regular reviews by the Board.

**(d) Key performance indicators (KPI's)**

The Directors of Langley Holdings plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of Bradman-Lake Limited. The key performance indicators of The Langley Holdings Group are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

Signed by order of the Directors

  
**J Marlee**  
Director

Approved by the Directors on ..... 29/5/..... 2019

Bradman-Lake Limited  
Registered in England and Wales  
Company number 06287006

## **BRADMAN-LAKE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED**

**YEAR ENDED 31 DECEMBER 2018**

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#### **Opinion**

We have audited the financial statements of Bradman-Lake Limited (the 'Company') for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **BRADMAN-LAKE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED**

**YEAR ENDED 31 DECEMBER 2018**

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#### **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 where 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**BRADMAN-LAKE LIMITED**

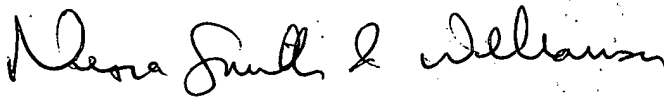
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED**

**YEAR ENDED 31 DECEMBER 2018**

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**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.



Nigel Hardy (Senior Statutory Auditor)

for and on behalf of  
**Nexia Smith & Williamson**

Statutory Auditor  
Chartered Accountants

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

Date: 31 May 2019

**BRADMAN-LAKE LIMITED****INCOME STATEMENT****YEAR ENDED 31 DECEMBER 2018**

	Note	2018 €	2017 €
<b>REVENUE</b>	<b>2</b>	20,988,797	21,574,590
Cost of sales	<b>3</b>	(15,477,797)	(14,047,201)
<b>GROSS PROFIT</b>		<u>5,511,000</u>	<u>7,527,389</u>
Administrative expenses		(4,449,247)	(9,317,713)
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	<u>1,061,753</u>	<u>(1,790,324)</u>
Finance income		49,989	121,779
Finance costs	<b>5</b>	(27,872)	(39,610)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<u>1,083,870</u>	<u>(1,708,155)</u>
Income tax	<b>8</b>	(61,859)	(295,620)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u>1,022,011</u>	<u>(2,003,775)</u>

All of the activities of the Company are classed as continuing. The profit for the year is attributable to the Equity holder of the immediate Parent Company.

The notes on pages 13 to 26 form part of these Financial Statements

**BRADMAN-LAKE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**YEAR ENDED 31 DECEMBER 2018**

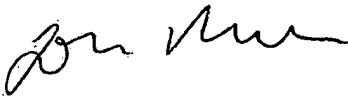
	2018 €	2017 €
Profit/(Loss) for the year	1,022,011	(2,003,775)
<b>Other comprehensive expense for the year:</b>		
<u>Items which may be reclassified to profit and loss</u>		
Exchange adjustments	(29,831)	(158,853)
<b>Total comprehensive income/(loss) for the year</b>	<u>992,180</u>	<u>(2,162,628)</u>

**The notes on pages 13 to 26 form part of these Financial Statements**

**BRADMAN-LAKE LIMITED****STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 €	2017 €
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	317,305	484,979
Deferred income tax asset	13	100	4,957
Trade and other receivables	11	1,064,549	
		<u>1,381,954</u>	<u>489,936</u>
<b>CURRENT ASSETS</b>			
Inventories	10	1,963,671	1,312,965
Trade and other receivables	11	5,517,262	8,128,139
		<u>7,480,933</u>	<u>9,441,104</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	(7,061,140)	(9,121,473)
<b>NET CURRENT ASSETS</b>			
		<u>419,793</u>	<u>319,631</u>
<b>NET ASSETS</b>			
		<u>1,801,747</u>	<u>809,567</u>
<b>EQUITY</b>			
Share capital	16	1	1
Retained earnings	18	1,801,746	809,566
<b>TOTAL EQUITY</b>			
		<u>1,801,747</u>	<u>809,567</u>

These Financial Statements were approved by the Directors on 29/5/ 2019 and are signed on their behalf by:



**J Marlee**  
Director

Company registration number: 06287006

**The notes on pages 13 to 26 form part of these Financial Statements**

**BRADMAN-LAKE LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share Capital €	Retained Earnings €	Total Equity €
<b>Balance at 1 January 2017</b>	<u>1</u>	<u>5,883,715</u>	<u>5,883,716</u>
<b>Changes in equity for the year ended 31 December 2017</b>			
Currency exchange adjustment arising on retranslation	-	(158,853)	(158,853)
Loss for the year	-	(2,003,775)	(2,003,775)
Dividend paid	-	(2,911,521)	(2,911,521)
<b>Balance at 31 December 2017</b>	<u>1</u>	<u>809,566</u>	<u>809,567</u>
<b>Changes in equity for the year ended 31 December 2018</b>			
Currency exchange adjustment arising on retranslation	-	(29,831)	(29,831)
Profit for the year	-	1,022,011	1,022,011
<b>Balance at 31 December 2018</b>	<u>1</u>	<u>1,801,746</u>	<u>1,801,747</u>

**The notes on pages 13 to 26 form part of these Financial Statements**

**BRADMAN-LAKE LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2018**

		2018		2017	
	Note	€	€	€	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations	21		(420,688)		3,517,858
Net interest received			22,117		82,169
Income taxes paid			(280,512)		(1,368,542)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>			<u>(679,083)</u>		<u>2,231,485</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment			<u>(110,387)</u>		<u>(268,778)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			<u>(110,387)</u>		<u>(268,778)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Equity dividends paid			<u>-</u>		<u>(2,911,521)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>			<u>-</u>		<u>(2,911,521)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			<u>(789,470)</u>		<u>(948,814)</u>
<b>Cash and cash equivalents at 1 January</b>			<u>(1,531,587)</u>		<u>(619,307)</u>
Effects of exchange rate changes on cash and cash equivalents			<u>36,118</u>		<u>36,534</u>
<b>Cash and cash equivalents at 31 December</b>			<u>(2,284,939)</u>		<u>(1,531,587)</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>					
Bank overdrafts	12		<u>(2,284,939)</u>		<u>(1,531,587)</u>

The notes on pages 13 to 26 form part of these Financial Statements

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

Bradman-Lake Limited is a Company incorporated in the United Kingdom.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006.

All accounting policies are consistent with those applying in the last annual Financial Statements for the year ended 31 December 2017.

The Financial Statements have been prepared on a historical cost basis.

**New and amended Standards and Interpretations adopted by the Company**

New Standards which have been adopted in these accounts, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 "Financial Instruments"; and
- IFRS 15 "Revenue from Contracts with Customers"

The adoption of the above standards did not have a significant effect on the accounts.

There were a number of Amendments to Standards adopted in the current year, but none of these had a material impact on the Group in the current period.

**New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2018**

At the date of authorisation of these accounts, the following standards and interpretations which have not been applied in these accounts were in issue but not yet effective:

- IFRS 16 "Leases" will be effective for the year ending December 2019 onwards and assessment of the full impact of this standard is in progress.

The effect of all other new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES (continued)**

**(b) Property, plant and equipment**

Property, plant and equipment are stated at cost of purchase, net of depreciation and any impairment provision. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	- 12-20 years straight line
Office and computer equipment	- 5 years straight line
Motor vehicles	- 4 years straight line

**(c) Financial instruments**

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

*Trade receivables*

Trade receivables do not carry any interest and are initially measured at their fair value and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables are impaired when the asset meets one of the following criteria:

- a) The financial asset is credit-impaired; or
- b) Credit losses are expected on the asset. Any loss allowance relating to trade receivables has been calculated with reference to historical experience in the recoverability of such receivables, taking into consideration current conditions and forecasts of future economic conditions.

*Borrowings*

Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest method.

*Trade payables*

Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

**(d) Inventories and work in progress**

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	- cost of purchase on a weighted average basis.
Work in progress	- cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.



**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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**1. ACCOUNTING POLICIES *(continued)***

**(e) Revenue recognition**

Revenue is recognised in accordance with the transfer of promised goods or services to customers (i.e. when the customer gains control of the good/service), and is measured as the consideration which the Company expects to be entitled to in exchange for those goods or services. Consideration is typically fixed on the agreement of a contract. Payment terms are agreed on a contract by contract basis.

Contracts include promises to transfer goods and/or services to a customer (i.e. "performance obligations") which are typically indistinct and hence are accounted for together in a single performance obligation. Where multiple performance obligations exist within one contract, the transaction price is allocated between each performance obligation on the basis of past experience, with reference to stand-alone selling prices of each component.

A good or service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A performance obligation is satisfied over time when the vendor's performance creates an asset with no alternative use for the vendor and the customer has an obligation to pay the vendor for performance to date.

The Company uses input methods to measure the progress towards completion of a performance obligation satisfied over time. Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The input method used by the Company is based on costs incurred to date.

If revenue is recognised over a period of time, the company presents as a contract asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions (contract liabilities) are included within 'trade and other receivables'. The company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Contract asset and liability balances fluctuate due to the timing and mix of contracts held by the Company.

Contracts are deemed to be complete, and hence performance obligations fully satisfied, post customer acceptance of the goods. Amounts disclosed as current deferred income reflect revenue that will be recognised on performance obligations that will be satisfied within a year.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the end of the reporting period is disclosed as orders on hand in the strategic report. This revenue will be recognised in the next accounting period.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

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**(f) Income taxes**

The income tax expense represents the sum of the tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the Financial Statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

**(g) Foreign currency**

*(a) Transactions and balances*

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

*(b) Preparation of Financial Statements*

These Financial Statements have been presented in Euros because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.13 (2017 - €1.14) to the Pound Sterling. The opening exchange rate was €1.13 (2017 - €1.17) to the Pound Sterling and the closing exchange rate was €1.11 (2017 - €1.13) to the Pound Sterling.

**(h) Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand, cash at bank and short term deposits with banks and similar financial institutions, with a maturity of six months or less, and bank overdrafts.

# BRADMAN-LAKE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

**(i) Pension costs**

The employees are eligible to join a defined contribution stakeholder pension scheme which is administered on behalf of the Company by a pension provider. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The scheme does not provide a gross minimum pension for contracting out of the state earnings related pension scheme. The annual contributions payable are charged to the Income Statement.

**(j) Operating leases**

The relevant annual rentals are charged to the Income Statement on a straight line basis over the lease term.

**(k) Key assumptions and significant judgements**

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and judgements. The areas where the most judgement is required are highlighted below:

*i Revenue and margin recognition*

Revenue is recognised in accordance with the satisfaction of performance obligations. A performance obligation is satisfied over time, and hence revenue is recognised over time, when an asset is created with no alternative use for the vendor. This requires the application of judgement to determine whether the asset is sufficiently specialised that it would have no alternative use.

The input method used by the Group to measure the amount of revenue to be recognised is based on costs incurred to date relative to total expected costs, which requires significant judgement. Contracts can be highly bespoke and hence historical cost information is not always useful in estimating future costs. The Group's policies for the recognition of revenue and profit are set out above.

*ii Inventories*

For financial reporting purposes the Company evaluates its inventory to ensure that it is carried at the lower of cost and net realisable value. Provisions are made against all inventories relating to machines that are no longer manufactured.

**2. REVENUE**

The revenue and profit before tax are attributable to the one principal activity of the Company.

**3. ANALYSIS OF COST OF SALES**

Cost of sales has been arrived at after charging:

	2018	2017
	€	€
Cost of materials	<u>11,293,596</u>	<u>7,910,589</u>

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

**4. OPERATING (LOSS)/PROFIT**

Operating profit been arrived at after charging/(crediting):

	2018	2017
	€	€
Staff pension contributions	264,032	249,143
Depreciation of owned assets	41,271	29,698
Fees payable to the Company's auditor for the audit of the Company's annual accounts	36,158	33,105
Fees payable to the Company's auditor for other services	14,407	13,670
Operating lease costs:		
- land and buildings	345,470	349,019
Impairment of amounts owed by Group undertakings	(1,064,548)	3,580,363
Net loss/(gain) on foreign currency translation	(82,046)	477,530

**5. FINANCE COSTS**

	2018	2017
	€	€
Other interest	27,872	39,610

**6. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2018	2017
	€	€
Salaries and short-term employee benefits	183,940	223,759
Post-employment benefits	6,780	6,849
	190,720	230,608

All of the above key management personnel compensation relates to Directors.

Directors' emoluments

	2018	2017
	€	€
Aggregate emoluments as Directors of the Company	165,237	205,374
Value of pension contributions	6,780	6,849
	172,017	212,223

	No.	No.
Number of Directors who were accruing benefits under defined contribution pension scheme	1	1

**BRADMAN-LAKE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2018****7. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the Company during the year was as follows:

	2018 No.	2017 No.
Engineering staff	121	124
Administrative staff	59	48
	<u>180</u>	<u>172</u>

The aggregate payroll costs of these persons were as follows:

	2018 €	2017 €
Wages and salaries	7,904,137	7,682,432
Social security costs	780,339	739,219
Other pension costs	264,032	249,143
	<u>8,948,508</u>	<u>8,670,794</u>

**8. INCOME TAX****(a) Charge for the year**

	2018 €	2017 €
Current income tax:		
UK corporation tax charge on profit for the year	43,037	301,823
Over provision in prior periods	13,950	(7,034)
Deferred tax	4,872	831
Total income tax	<u>61,859</u>	<u>295,620</u>

**(b) Factors affecting current tax charges**

	2018 €	2017 €
Profit/(loss) before taxation	<u>1,083,070</u>	<u>(1,708,155)</u>
Profit/(loss) before taxation multiplied by the standard rate of tax of 19% (2017: 19.25%)	205,935	(328,820)
Expenses not deductible for tax purposes	436	630,609
Non-taxable income	(202,264)	-
Movement on deferred tax asset	39,704	-
Adjustments in respect of prior periods	13,950	(5,210)
Adjust closing deferred tax to average rate	4,098	(959)
Total income tax expense	<u>61,859</u>	<u>295,620</u>

Finance Act 2016, which received Royal Assent on 15 September 2016, includes legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, deferred tax has been calculated at the tax rate of 17%.

**BRADMAN-LAKE LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**YEAR ENDED 31 DECEMBER 2018**
**9. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Property Improvements €	Plant & Machinery €	Office and Computer Equipment €	Motor Vehicles €	Total €
<b>COST</b>					
At 1 Jan 2017	69,707	564,281	338,595	17,957	990,540
Additions	-	249,277	19,501	-	268,778
Exchange adjustments	(2,669)	(24,974)	(13,228)	(688)	(41,559)
At 31 Dec 2017	67,038	788,584	344,868	17,269	1,217,759
Additions	-	60,988	49,399	-	110,387
Disposals	-	(232,112)	(128,251)	-	(360,363)
Exchange adjustments	(967)	(8,339)	(3,575)	(250)	(13,131)
At 31 Dec 2018	66,071	609,121	262,441	17,019	954,652
<b>DEPRECIATION</b>					
At 1 Jan 2017	69,707	306,703	337,927	17,153	731,490
Charge for the year	-	28,211	703	784	29,698
Exchange adjustments	(2,669)	(12,123)	(12,948)	(668)	(28,408)
At 31 Dec 2017	67,038	322,791	325,682	17,269	732,780
Charge for the year	-	38,486	2,785	-	41,271
Depreciation on disposals	-	(3,846)	(123,819)	-	(127,665)
Exchange adjustments	(967)	(5,272)	(2,550)	(250)	(9,039)
At 31 Dec 2018	66,071	352,159	202,098	17,019	637,347
<b>NET BOOK VALUE</b>					
At 31 Dec 2018	-	256,962	60,343	-	317,305
At 31 Dec 2017	-	465,793	19,186	-	484,979

**10. INVENTORIES**

	2018 €	2017 €
Raw materials	1,060,745	1,169,865
Work in progress	902,926	143,100
	<u>1,963,671</u>	<u>1,312,965</u>

**BRADMAN-LAKE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2018****10. INVENTORIES (continued)****CONSTRUCTION WORK IN PROGRESS**

Contracts in progress at the year end:

	2018 €	2017 €
Amount due from contract customers included in trade and other receivables (note 11)	3,381,599	3,108,020
Amount due to contract customers included in trade and other payables (note 12)	(1,891,797)	(4,898,616)
	<u>1,489,802</u>	<u>(1,790,596)</u>
Contract costs incurred plus recognised profit less recognised losses to date	16,821,472	17,991,046
Less: progress billing	(15,331,670)	(19,781,642)
	<u>1,489,802</u>	<u>(1,790,596)</u>

**11. TRADE AND OTHER RECEIVABLES****NON-CURRENT TRADE AND OTHER RECEIVABLES**

	2018 €	2017 €
Amounts owed by Group undertakings	<u>1,064,549</u>	<u>-</u>

**CURRENT TRADE AND OTHER RECEIVABLES**

	2018 €	2017 €
Trade receivables	1,177,063	4,494,141
Amounts recoverable on contracts	3,381,599	3,108,020
Amounts owed by Group undertakings	629,841	242,134
Prepayments and accrued income	228,792	281,930
Other debtors	99,967	1,914
	<u>5,517,262</u>	<u>8,128,139</u>

For terms and conditions relating to related party receivables, refer to note 15.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

**11. CURRENT TRADE AND OTHER RECEIVABLES (continued)**

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	2018	2017
	€	€
Balance at 1 January	3,542,866	12,393
(Decrease)/Increase in provision	(1,064,549)	3,580,363
Exchange adjustments	(592,760)	(49,891)
Balance at 31 December	<u>1,885,557</u>	<u>3,542,866</u>

The provision for bad and doubtful debts includes estimated potential credit losses. No adjustment was required to the provision on transition to IFRS 9.

Trade receivables are non-interest bearing and are generally on 30 – 90 days terms.

At 31 December 2018, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days past due	30-60 days past due	60-90 days past due	90-120 days past due	>120 days past due
	€	€	€	€	€
2018	632,491	389,833	151,371	23,573	161,434
2017	2,485,184	950,767	43,920	82,195	521,505

**12. CURRENT TRADE AND OTHER PAYABLES**

	2018	2017
	€	€
Trade payables	1,276,408	1,138,845
Amounts owed to Group undertakings	465,976	272,039
Income tax payable	35,864	259,389
Bank overdrafts	2,284,939	1,531,587
VAT payable	239,075	568,507
Other taxes and social security	480,403	268,527
Accruals and deferred income	306,931	76,273
Warranty provision	79,744	107,690
Progress payments	1,891,800	4,898,616
	<u>7,061,140</u>	<u>9,121,473</u>

The bank overdraft is secured by a guarantee from the ultimate Parent Company.



**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

**12. CURRENT TRADE AND OTHER PAYABLES (continued)**

	Warranty Provisions €
<b>Movement in year ended 31 December 2017</b>	
Balance at 1 January 2017	149,300
Additional provision recognised	109,166
Provision released to profit and loss	(145,550)
Exchange adjustments	(5,226)
Balance at 31 December 2017	<u>107,690</u>

	Warranty Provisions €
<b>Movement in year ended 31 December 2018</b>	
Balance at 1 January 2018	107,690
Additional provision recognised	81,185
Provision released to profit and loss	(108,055)
Exchange adjustments	(1,077)
Balance at 31 December 2018	<u>79,744</u>

The warranty provision is estimated from historical data for the Company and relates to contracts sold in the year. The standard warranty period for the Company is one year.

**13. DEFERRED INCOME TAX**

Deferred taxation asset	2018	2017
	€	€
At 1 January	4,957	6,534
Charge to income	(4,786)	(831)
Exchange differences	(71)	(746)
At 31 December	<u>100</u>	<u>4,957</u>
	2018	2017
	€	€
Accelerated capital allowances	-	(1,499)
Short term timing differences	100	6,090
Tax losses carried forward and other deductions	-	366
	<u>100</u>	<u>4,957</u>

**14. COMMITMENTS AND CONTINGENCIES**

A contingent liability exists at the year end in respect of the Group VAT liability of €nil (2017 - €261,645).

**BRADMAN-LAKE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2018****15. RELATED PARTY TRANSACTIONS**

During the year the Company made sales to and purchases from the following Group entities:

	Sales		Purchases	
	2018	2017	2018	2017
	€	€	€	€
Bradman-Lake Inc.	888,787	1,816,387	29,092	79,622

At the year end, Bradman-Lake Limited had the following balances with other Group companies:

	Amount due to Company		Amount owed by Company	
	2018	2017	2018	2017
	€	€	€	€
Bradman-Lake Inc.	1,694,390	242,134	-	-
Bradman-Lake Group Limited	-	-	140,898	255,690
Langley Holdings plc	-	-	21,198	46,434

Interest of €53,894 (2017 - €19,385) was paid to Langley Holdings plc in the year and interest of €nil (2017 - €90,011) was received from Bradman Lake Inc. in the year in respect of loan balances included above. The loan due from Bradman Lake Inc. of £1,064,549 (2017 - \$nil) included in the above amount is shown within non-current assets.

Rent of €170,329 (2017 - €172,079) was paid to Langley Holdings plc during the year. The Company also paid management charges to Langley Holdings plc of €155,760 (2017 - €171,233).

*Terms and conditions of transactions with related parties*

The transactions with related parties are made at normal prices. Outstanding balances at the year end are unsecured and interest free. The Company has recorded impairment of €nil for receivables relating to amounts owed by related parties (2017 - €3,580,363).

**16. SHARE CAPITAL****Authorised share capital:**

	2018	2017
	€	€
100 Ordinary shares of £1 each	100	100

**Allotted and called up:**

	2018		2017	
	No.	€	No.	€
Ordinary shares of £1 each	1	1	1	1

**17. ULTIMATE PARENT COMPANY**

The immediate Parent Company is Bradman-Lake Group Limited, a company incorporated in the UK. The ultimate Parent Company is Langley Holdings plc, a company incorporated in the UK. Langley Holdings plc itself is controlled by A J Langley. Consolidated Financial Statements of Langley Holdings plc can be obtained from the Registrar of Companies at Companies House.

**BRADMAN-LAKE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2018**

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**18. RETAINED EARNINGS**

	2018	2017
	€	€
At 1 January	809,566	5,883,715
(Loss)/profit for the year	(42,537)	(2,003,775)
Currency exchange differences on retranslation	(10,927)	(158,853)
Dividends paid	-	(2,911,521)
At 31 December	<u>756,102</u>	<u>809,566</u>

Included within retained earnings of the Company are foreign exchange reserves of €448,786 (2017 - €459,713).

The net currency exchange difference arising on retranslation in the year was a loss of €10,927 (2017 - €158,853). The foreign currency translation reserves contain accumulated foreign currency translation differences from the translation of the Financial Statements of the Company into its presentational currency.

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018, the Company had total commitments under non-cancellable operating leases as set out below:

	2018	2017
	€	€
Payments falling due:		
In less than one year	339,335	209,168
Between two and five years	1,201,958	718,428
After more than five years	1,268,378	240,484
	<u>2,809,671</u>	<u>1,168,080</u>

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise loans received together with trade receivables, trade payables and short term deposits which arise directly from its operations. The main purpose of these financial instruments is to fund the Company's operations and to manage its working capital, liquidity and surplus funds.

The Company does not enter into any derivative transactions.

The main risks arising from the Company's financial instruments are foreign currency risk and credit risk. Liquidity risk is not considered to be a main risk to the Company due to the Group's cash and cash equivalents balances being considerably higher than any bank borrowings and the availability of funding from the Group.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**

**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

*Foreign currency risk*

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies of other Group entities (which are principally Sterling, Euros and US Dollars).

The Company does not utilise any hedging arrangements as the Directors do not consider that the risk posed is significant to the Company's operations.

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling to Euro exchange rate, with all other variables held constant, of the Company's profit or loss before tax due to changes in the fair value of monetary assets and liabilities.

	Increase/decrease in Sterling rate	Effect on (loss)/profit before tax €
2018	+10%	(2,146)
	-10%	(1,758)
2017	+10%	(189,795)
	-10%	155,287

*Credit risk*

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the results that the Company's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Company, comprising of cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

The amount that best represents the Group's maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements is expected to be the total value of trade receivables and contract assets.

*Interest rate risk*

The Company's exposure to the risk of changes in market interest rates is solely to the Company's bank overdraft and cash on deposit with floating interest rates. The Company is part of a cash pooling arrangement and the interest risk is therefore shared with other companies in the Group. The interest rate risk of the Group is discussed further in the financial Statements of Langley Holdings plc.

**BRADMAN-LAKE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2018**

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)***Capital risk management*

The Company manages capital to ensure adequate resources are retained for the continued growth of the Company. Access to capital includes the availability of funding through agreed credit facilities.

**21. CASH GENERATED FROM OPERATIONS**

	2018	2017
	€	€
Profit/(loss) before tax	1,083,870	(1,708,155)
Depreciation	41,271	29,698
Loss on disposal of PPE	232,698	-
Net interest (income)/expense	(22,117)	(82,169)
(Increase)/decrease in inventories	(650,706)	(151,471)
Decrease/(increase) in trade and other receivables	1,546,328	5,749,557
(Decrease)/increase in trade and other payables	(2,590,160)	(138,112)
Exchange adjustments	(42,968)	(181,490)
	<u>(420,688)</u>	<u>3,517,858</u>