

LYTE LADDERS AND TOWERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

LYTE LADDERS AND TOWERS LIMITED

COMPANY INFORMATION

Directors	R Robinson M Walton M Welden L Sarai S J Price
Registered number	11776103
Registered office	14th Floor 33 Cavendish Square London W1G 0PW
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

LYTE LADDERS AND TOWERS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 9
Profit and loss account	10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13 - 14
Notes to the financial statements	15 - 31

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Business review

The directors present the strategic report for the year ended 31 December 2022.

The Company's principal activity is to design, manufacture and distribute ladders, steps, and towers, operating from Swansea and distributing throughout the UK and Ireland.

The turnover in the full year was £11M (2021 £12.2M) and reported gross margin £2.5M (2021 £2.6M) at 23% (2021 21%).

The focus of the management team continues to be to exceed customer expectations across delivery and service and to grow volumes as a trusted partner.

The company maintains a significant headroom in its fully committed banking facilities which are due for renewal at the end of 2025.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

Interest rate risk

The Company monitors the financial risk of interest rate movements on a regular basis, and the impact rises would have on profitability. Interest rates are expected to rise in the short to medium term, but the Company is well placed to deal with any such increases.

Amounts owed from connected undertakings are monitored and actively managed monthly to ensure these are at a level that is acceptable for all parties involved.

Credit and liquidity risk

The Company's principal financial assets are trade debtors, all of which are fully insured. The Company has no significant concentration of credit risk with a single counterparty as exposure is spread over several counterparties.

The Company's principal financial liabilities are its bank loans and trade creditors, which are managed through detailed cash forecasting, and we maintain significant headroom in our facilities.

Price risk

The price of Aluminium fluctuates due to raw material cost and demand. Any tariffs imposed can also impact cost. This is a risk common to all companies operating within the ladder industry. The Company's strategy on this is to maintain a prudent approach to stock levels, actively managing stock using detailed system information to ensure that excess inventory is not carried, whilst also ensuring the stock range covers all our customer requirements. The Company also has a range of suppliers and so has no concerns regarding continuity of supply.

LYTE LADDERS AND TOWERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

We consider that our main Key Performance Indicators are underlying Gross profit, overhead control, and levels of stock. These are set out below for the year:

2022 2021

Gross Profit (£ 000's) 2,488 (23%) 2,563 (21%)

Stock Turn (CoGs / Stock) 8.2 8.6

The improvement in Gross Profit percentage and stock turns year on year has been down to the turnaround initiatives.

At an operational level orders, revenue, and gross profit percentage are managed daily.

The Company also monitors staff turnover, as retention of skilled employees is essential for the prosperity of the Company.

This report was approved by the board on 29 September 2023 and signed on its behalf.

M Welden
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

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 judgments 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.

Results and dividends

The loss for the year, after taxation, amounted to £138,162 (2021 - profit £120,853).

Directors

The directors who served during the year were:

R Robinson
M Walton
M Welden
L Sarai
S J Price (appointed 1 February 2022)

Matters covered in the Strategic report

The directors have chosen to disclose information on the following, required by the Companies Act 2006 to be included in the Directors' Report, within the Strategic Report, found on pages 1 - 2:

- information on financial risk management and policies; and
- information regarding future developments of the business.

LYTE LADDERS AND TOWERS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 September 2023 and signed on its behalf.

M Welden
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYTE LADDERS AND TOWERS LIMITED

Opinion

We have audited the financial statements of Lyte Ladders and Towers Limited (the 'Company') for the year ended 31 December 2022, which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity 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 2022 and of its loss 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYTE LADDERS AND TOWERS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYTE LADDERS AND TOWERS LIMITED (CONTINUED)

Auditors' 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 Auditors' 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:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
the nature of the company, including its management structure and control systems, including the opportunity for management to override such controls;
management's incentives and opportunities for fraudulent manipulation of the financial statements including the company's remuneration and bonus policies and performance targets; and
the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law and tax and pension legislation;

- the timing of the recognition of commercial income;
- compliance with legislation relating to health and safety, environmental legislation and ISO accreditation;
- management bias in selecting accounting policies and determining estimates;
- valuation of freehold property;
- inappropriate journal entries;
- recoverability of debtors; and
- the requirement to include provisions against stock and the amount of any such provision.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYTE LADDERS AND TOWERS LIMITED (CONTINUED)

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;
- obtaining an understanding of the relevant controls and testing their operation during the period;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- review documentation relating to compliance with the regulations including insurance and quality accreditations;
- challenging assumptions made by management in their specific accounting policies and estimates, in particular in relation to carrying value of stock;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue or cash;
- assessing the recovery of debtors in the period since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud;
- reviewing the minutes of Board minutes and correspondence with HMRC;
- evaluating the underlying business reasons for any unusual transactions; and
- considered the implementation of controls during the year.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYTE LADDERS AND TOWERS LIMITED (CONTINUED)

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 Auditors' 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.

Daryush Farshchi-Heidari FCA (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants

Statutory Auditors

14th Floor

33 Cavendish Square

London

W1G 0PW

29 September 2023

LYTE LADDERS AND TOWERS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	10,988,356	12,199,376
Cost of sales		(8,500,283)	(9,636,006)
Gross profit		<u>2,488,073</u>	<u>2,563,370</u>
Administrative expenses		(2,266,360)	(2,296,123)
Other operating income	5	-	57,472
Operating profit	6	<u>221,713</u>	<u>324,719</u>
Interest receivable and similar income		24	-
Interest payable and similar expenses	10	(428,361)	(349,693)
Loss before tax		<u>(206,624)</u>	<u>(24,974)</u>
Tax on loss	11	68,462	145,827
(Loss)/profit for the financial year		<u><u>(138,162)</u></u>	<u><u>120,853</u></u>

The notes on pages 15 to 31 form part of these financial statements.

LYTE LADDERS AND TOWERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Loss for the financial year	(138,162)	120,853
	<hr/>	<hr/>
Other comprehensive income		
Unrealised surplus/(deficit) on revaluation of tangible fixed assets net of deferred tax	-	(17,010)
	<hr/>	<hr/>
Total comprehensive income for the year	<u>(138,162)</u>	<u>103,843</u>

LYTE LADDERS AND TOWERS LIMITED
REGISTERED NUMBER: 11776103

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	3,716,238	3,878,722
Investments	13	16,001	15,945
		<u>3,732,239</u>	<u>3,894,667</u>
Current assets			
Stocks	14	1,039,141	1,120,050
Debtors: amounts falling due within one year	15	2,127,854	2,121,125
Cash at bank and in hand	16	24,984	53,469
		<u>3,191,979</u>	<u>3,294,644</u>
Creditors: amounts falling due within one year	17	(3,342,540)	(3,232,325)
Net current (liabilities)/assets		<u>(150,561)</u>	<u>62,319</u>
Total assets less current liabilities		3,581,678	3,956,986
Creditors: amounts falling due after more than one year	18	(3,311,932)	(3,509,078)
Provisions for liabilities			
Deferred tax	20	(252,901)	(292,901)
		<u>(252,901)</u>	<u>(292,901)</u>
Net assets		<u>16,845</u>	<u>155,007</u>
Capital and reserves			
Called up share capital	21	79	79
Revaluation reserve	22	212,625	212,625
Capital redemption reserve	22	21	21
Profit and loss account	22	(195,880)	(57,718)
		<u>16,845</u>	<u>155,007</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2023.

M Welden

Director

The notes on pages 15 to 31 form part of these financial statements.

LYTE LADDERS AND TOWERS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	79	21	212,625	(57,718)	155,007
Loss for the year	-	-	-	(138,162)	(138,162)
At 31 December 2022	<u>79</u>	<u>21</u>	<u>212,625</u>	<u>(195,880)</u>	<u>16,845</u>

The notes on pages 15 to 31 form part of these financial statements.

LYTE LADDERS AND TOWERS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	87	13	229,635	(178,571)	51,164
Comprehensive income for the year					
Profit for the year	-	-	-	120,853	120,853
Deferred tax movement on revalued assets	-	-	(17,010)	-	(17,010)
Purchase of own shares	-	8	-	-	8
Shares cancelled during the year	(8)	-	-	-	(8)
At 31 December 2021	<u>79</u>	<u>21</u>	<u>212,625</u>	<u>(57,718)</u>	<u>155,007</u>

The notes on pages 15 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The Company is a private limited company, incorporated in England and its registered office is 14th Floor 33 Cavendish Square, London, England, W1G 0PW and its trading address is Beaufort Reach, Siemens Way, Swansea Enterprise Park, Swansea SA7 9BB

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 judgment 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 has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Breal Capital (Lyte) Limited as at 31 December 2022 and these financial statements may be obtained from 14th Floor, 33 Cavendish Square, London, W1G 0PW..

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Going concern

The Company had taken measures to ensure that it remained in a position where it could continue to meet its forecast liabilities as they fall due.

Steps included:

- CBILS funding- all repayments have been made on time during 2022;
- Enhanced cost reduction measures

Based on the steps undertaken and with the continued support of the Company's bank, the financial statements have been prepared on a going concern basis.

2.5 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 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.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Plant and machinery	- 10 years straight line
Motor vehicles	- 4 years straight line
Fixtures and fittings	- 8 years straight line
Computer equipment	- 4 years straight line
Other fixed assets	- 3 years straight line

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.

2.16 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 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 balance sheet 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.

2.19 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.21 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.

2.22 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

The Company makes estimates and assumptions concerning the future. Management are also required to exercise judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Carrying value of stock:

Management review the market value of and demand for the company's stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Any provision for impairment is recorded against the carrying value of the stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

Tangible fixed assets

It is the company's policy to measure freehold and leasehold properties at fair value less depreciation. The residual values of the properties are taken into consideration in this calculation. As at 31 December 2022 the directors do not consider the residual value of the properties to be materially different to the revalued amounts, therefore the depreciation charge on buildings is £nil.

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	10,350,847	11,406,668
Rest of Europe	637,509	792,708
	<u>10,988,356</u>	<u>12,199,376</u>

All turnover is attributable to the company's principal activity.

5. Other operating income

	2022 £	2021 £
Government grants receivable	<u>-</u>	<u>57,472</u>

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	215,136	212,631
Auditors' remuneration	22,500	21,000
Exchange differences	(10,765)	(24,170)
Other operating lease rentals	<u>8,496</u>	<u>16,564</u>

7. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	2,743,139	2,916,113
Social security costs	225,816	232,600
Cost of defined contribution scheme	57,333	50,210
	<u>3,026,288</u>	<u>3,198,923</u>

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

	2022	2021
	No.	No.
Sales & Administration	28	31
Production & Warehouse	97	109
	<u>125</u>	<u>140</u>

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	155,254	120,835
Company contributions to defined contribution pension schemes	7,951	-
	<u>163,205</u>	<u>120,835</u>

During the year retirement benefits were accruing to one director (2021 - NIL) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	161,050	114,958
Other loan interest payable	264,391	234,472
Finance leases and hire purchase contracts	2,920	263
	<u>428,361</u>	<u>349,693</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(28,462)	(68,493)
Adjustments in respect of previous periods	-	(299,360)
Total current tax	<u>(28,462)</u>	<u>(367,853)</u>
Deferred tax		
Origination and reversal of timing differences	(40,000)	222,026
Taxation on loss on ordinary activities	<u>(68,462)</u>	<u>(145,827)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(206,624)</u>	<u>(24,974)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(39,259)	(4,745)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,844	2,621
Capital allowances for year in excess of depreciation	(3,001)	(22)
Adjustments to tax charge in respect of prior periods	-	(299,360)
Short-term timing difference leading to an increase in taxation	416	222,026
Adjustment in research and development tax credit leading to an decrease in the tax charge	(28,462)	(68,493)
Unrelieved tax losses carried forward	-	2,146
Total tax charge for the year	<u>(68,462)</u>	<u>(145,827)</u>

Factors that may affect future tax charges

The Group has estimated losses of £0.3m (2021: £0.4m) to carry forward against future profits.

The Government has confirmed that the planned increase in the rate of corporation tax to 25% will go ahead from 1 April 2023 on all profits when they exceed £250,000 and this change in rate was enacted on 10 June 2021. Where profits fall between £50,000 and £250,000, a marginal rate will be applied to taper the increase in the corporation tax rate. A small profits rate will be introduced for companies with profits of £50,000 or less so that the corporation tax will continue to be paid at 19%.

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	2,700,000	1,374,832	252,380	121,022	4,448,234
Additions	-	15,555	13,807	23,290	52,652
At 31 December 2022	2,700,000	1,390,387	266,187	144,312	4,500,886
Depreciation					
At 1 January 2022	-	429,710	75,904	63,898	569,512
Charge for the year on owned assets	-	150,801	31,413	32,922	215,136
At 31 December 2022	-	580,511	107,317	96,820	784,648
Net book value					
At 31 December 2022	2,700,000	809,876	158,870	47,492	3,716,238
At 31 December 2021	2,700,000	945,122	176,476	57,124	3,878,722

The most recent professional valuation of freehold land and buildings was in January 2022. The valuation was done on a Market Value basis by Landwood Group. In the opinion of the Directors, they do not consider these valuations to be materially different to the values at the year end date.

The residual value of the land and buildings are considered to be the same as the carrying value.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	2,416,500	2,416,500
Net book value	2,416,500	2,416,500

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	15,945
Additions	56
At 31 December 2022	<u>16,001</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Lyte Ladders and Towers Ireland Limited	Ordinary	100 %

14. Stocks

	2022 £	2021 £
Raw materials and consumables	440,120	724,961
Work in progress (goods to be sold)	104,887	91,388
Finished goods and goods for resale	494,134	303,701
	<u>1,039,141</u>	<u>1,120,050</u>

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Debtors

	2022 £	2021 £
Trade debtors	1,717,473	1,546,729
Other debtors	201,014	367,853
Prepayments and accrued income	209,367	206,543
	<u>2,127,854</u>	<u>2,121,125</u>

16. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>24,984</u>	<u>53,469</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	1,355,734	1,150,896
Other loans	-	24,953
Trade creditors	1,244,862	1,246,591
Other taxation and social security	322,381	194,999
Obligations under finance lease and hire purchase contracts	38,353	44,671
Other creditors	10,159	90,644
Accruals and deferred income	371,051	479,571
	<u>3,342,540</u>	<u>3,232,325</u>

Included within bank loans is an amount of £1,355,734 (2021: £1,150,896) in relation to a working capital facility, term loans and CBILS, secured by way of fixed and floating charges over all assets of the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 £	2021 £
Bank loans	1,179,919	1,635,842
Other loans	2,132,013	1,873,236
	<u>3,311,932</u>	<u>3,509,078</u>

Included within bank loans is an amount of £1,179,919 (2021: £1,635,842) in relation to term loans and CBILS, secured by way of fixed and floating charges over all assets of the company.

Included within other loans is an amount of £547,194 (2021: £477,243) in relation to a parent company loan, secured by way of a debenture over all assets of the company. This security is subordinated to the bank debt.

Included within other loans is an amount of £1,584,819 (2021: £1,395,993) secured by way of a debenture over all assets of the company. This security is subordinated to the bank debt.

19. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	1,355,734	1,150,896
Other loans	-	24,953
	<u>1,355,734</u>	<u>1,175,849</u>
Amounts falling due 1-2 years		
Bank loans	388,898	362,359
Amounts falling due 2-5 years		
Bank loans	791,021	1,273,483
Other loans	2,132,013	1,873,236
	<u>2,923,034</u>	<u>3,146,719</u>
	<u>4,667,666</u>	<u>4,684,927</u>

For security, see notes 17 and 18.

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Deferred taxation

	2022 £
At beginning of year	(292,901)
Charged to profit or loss	40,000
At end of year	<u><u>(252,901)</u></u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(259,712)	(294,681)
Tax losses carried forward	77,686	72,655
Property revaluations	(70,875)	(70,875)
	<u><u>(252,901)</u></u>	<u><u>(292,901)</u></u>

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
750 (2021 - 750) Ordinary A shares of £0.10 each	75	75
38 (2021 - 38) Ordinary C shares of £0.10 each	4	4
	<u><u>79</u></u>	<u><u>79</u></u>

All shares rank pari passu in all respects.

22. Reserves

Revaluation reserve

The reserve represents the revaluation of the company's freehold properties net of associated deferred tax.

Capital redemption reserve

The reserve records the nominal value of shares repurchased by the Company.

LYTE LADDERS AND TOWERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. 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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £57,333 (2021: £50,210). Contributions totalling £9,753 (2021: £10,661) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	27,684	36,386
Later than 1 year and not later than 5 years	8,556	37,122
	<u>36,240</u>	<u>73,508</u>

25. Related party transactions

At the balance sheet date, included in creditors due after more than one year was an amount of £1,584,819 (2021: £1,395,993) due to shareholders of the group.

Interest on the loans was charged at 10-15% per annum and the charge for the year was £187,363 (2021: £164,479) and remains unpaid at the balance sheet date.

26. Controlling party

At 31 December 2022, the immediate and ultimate parent undertaking is Breal Capital (Lyte) Limited, incorporated in England & Wales.

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.