

**LEEC HOLDINGS LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2018**

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COMPANIES HOUSE

**Hobsons CA Limited**  
**Chartered Accountants**  
**Statutory Auditor**  
**Alexandra House**  
**43 Alexandra Street**  
**Nottingham**  
**NG5 1AY**

**LEEC HOLDINGS LIMITED**

Director	Mr P Venners
Secretary	Mrs A L Smith
Registered Office	Private Road No. 7 Colwick Industrial Estate Nottingham Nottinghamshire NG4 2AJ
Bankers	Lloyds Bank Plc 12 – 16 Lower Parliament Street Nottingham NG1 3DA
Auditor	Hobsons CA Limited Chartered Accountants Statutory Auditor Alexandra House 43 Alexandra Street Nottingham NG5 1AY
Company Number	06888746

## LEEC HOLDINGS LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2018

#### Business review and future plans

The company and its group have reported another strong trading performance for the year, highlighted by increasing profitability in a competitive market. The Board believe that with economic conditions improving, and opportunities being explored in overseas markets, profitable trading will continue for the foreseeable future.

#### Analysis of key performance indicators

The Board look at group turnover, margins and profitability when monitoring business performance.

Turnover has decreased from £8,114,126 to £7,451,323 although the group have benefited from an increase in gross margin. Overheads remain well controlled resulting in a net profit before taxation of £255,445.

The Board also consider key statement of financial position areas in order to understand the financial position of the company and the group.

The statement of financial position has been further strengthened during the year. Cash at bank remains healthy, and the Board are satisfied that the company and group can continue to pay its debts as they fall due for the foreseeable future.

#### Key business risks and uncertainties

The key business risks and uncertainties affecting the company and group include its ability to obtain new orders from the existing customer base, and to expand the customer base geographically in order to give access to new markets. Whilst focusing on growth of the core business the Directors are aware that maintaining the company and group's ability to retain key employees will help to achieve this.

The company and group have been successful in recent years in expanding into overseas markets, including the introduction of a number of OEM contracts, and this exposes the company and group to risks relating to foreign exchange fluctuations. The company and group therefore intends using financial instruments as part of its financial risk management to mitigate its exposure to currencies that the company and group are exposed to when undertaking overseas contracts.

The company and group are exposed to the usual credit risk and cash flow risk associated with its business, and the credit terms afforded to customers, and manages this through tight credit control procedures.

#### Research and development activity

Continuing investment is made in the research and development of laboratory, forensic and pathology equipment.

As the company and group provides a unique design, build and installation service to meet customer specifications, products undergo continual research and development to enable the group to provide the optimal solution to its customer base.

This report was approved by the Board on 21 November 2018 and signed on its behalf by



**Mr P Venners**  
Director

## **LEEC HOLDINGS LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 30 APRIL 2018**

#### **Financial statements**

The director presents his report together with the consolidated financial statements of the group for the year ended 30 April 2018.

#### **Principal activity**

The principal activity of the company was that of a holding company.

The principal activity of the group during the year was the design, manufacture and installation of forensic and pathology equipment and the manufacture and distribution of laboratory equipment together with the provision of maintenance services.

#### **Group results and dividends**

The group's trading results for the year are set out in the group statement of comprehensive income on page 7. Dividends totalling £10,000 (2017 - £nil) were declared and paid or payable during the year.

#### **Directors**

The director in office during the year was as stated below:

Mr P Venners

#### **Professional indemnity insurance**

The group takes out indemnity insurance on behalf of the director.

#### **Statement of director's responsibilities**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## LEEC HOLDINGS LIMITED

### DIRECTOR'S REPORT FOR THE YEAR ENDED 30 APRIL 2018 (CONTINUED)

#### Strategic Report

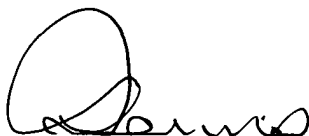
The director has prepared a review of the business, together with a summary of the principal risks and uncertainties affecting the company, and these are detailed within the Strategic Report on page 1. The report includes an explanation of the company and group's financial risk management policies.

#### Statement as to disclosure of information to auditors

In so far as the director is aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the director has taken all of the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 21 November 2018 and signed on its behalf by



**Mr P Venners**  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LEEC HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of LEEC Holdings Limited for the year ended 30 April 2018 which comprise the group statement of comprehensive income, the group and company statements of financial position, the group statement of cash flows, the group and company statements of changes in equity and 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 United Kingdom Accounting Standards, including FRS 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 and group's affairs at 30 April 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standard 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 and group 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 and group'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF LEEC HOLDINGS LIMITED (CONTINUED)**

**Opinions 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

*In the light of our knowledge and understanding of the company and group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's 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 director's 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 director's responsibilities statement, 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 and group'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 and group 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF LEEC HOLDINGS LIMITED (CONTINUED)**

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

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company and group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.

**James Scully FCA (Senior Statutory Auditor)  
For and on behalf of Hobsons CA Limited  
Chartered Accountants and  
Statutory Auditor  
Alexandra House  
43 Alexandra Street  
Nottingham  
NG5 1AY**

**21 November 2018**



**LEEC HOLDINGS LIMITED**

**GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 £	2017 £
<b>Group turnover - continuing operations</b>	4	7,451,323	8,114,126
Cost of sales		(5,271,260)	(5,836,060)
<b>Gross profit</b>		2,180,063	2,278,066
Distribution costs		(64,540)	(111,462)
Administrative expenses		(1,827,446)	(1,907,996)
Other operating income		13,949	10,515
<b>Operating profit - continuing operations</b>	6	302,026	269,123
Interest receivable	5	127	267
Interest payable	7	(46,708)	(49,499)
<b>Profit on ordinary activities before taxation</b>		255,445	219,891
Tax on profit on ordinary activities	8	(33,787)	83,078
<b>Profit for the financial year and total comprehensive income</b>		221,658	302,969

The notes on pages 13 to 24 form part of these financial statements.

LEEC HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	13		83,729		129,431
Tangible assets	14		1,417,715		1,454,910
			<hr/>		<hr/>
			1,501,444		1,584,341
<b>Current assets</b>					
Stocks	16	841,587		683,779	
Debtors	17	1,389,379		1,765,592	
Cash at bank and in hand		1,174,068		1,004,766	
		<hr/>		<hr/>	
		3,405,034		3,454,137	
<b>Creditors</b>					
Amounts falling due within one year	18	(2,118,445)		(2,223,599)	
		<hr/>		<hr/>	
<b>Net current assets</b>			1,286,589		1,230,538
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			2,788,033		2,814,879
<b>Creditors</b>					
Amounts falling due after one year	19		(1,209,384)		(1,443,461)
<b>Provisions for liabilities</b>	27		(52,987)		(57,414)
			<hr/>		<hr/>
<b>Net assets</b>			1,525,662		1,314,004
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	22		4,950		4,950
Share premium account	23		490,050		490,050
Profit and loss account	23		1,030,662		819,004
			<hr/>		<hr/>
<b>Shareholders' funds</b>			1,525,662		1,314,004
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 21 November 2018 and were signed on its behalf by:



**Mr P Venners**  
Director

**Company registration number - 06888746**

The notes on pages 13 to 24 form part of these financial statements.

**LEEC HOLDINGS LIMITED**

**COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2018**

	Note	2018	2017
		£	£
<b>Fixed assets</b>			
Investments	15	4,000,000	4,000,000
Tangible assets	14	1,373,167	1,396,167
		<hr/>	<hr/>
		5,373,167	5,396,167
<b>Current assets</b>			
Debtors	17	107,637	133,065
Cash at bank and in hand		83,196	44,573
		<hr/>	<hr/>
		190,833	177,638
<b>Creditors</b>			
Amounts falling due within one year	18	(218,467)	(216,267)
		<hr/>	<hr/>
<b>Net current assets</b>		(27,634)	(38,629)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		5,345,533	5,357,538
<b>Creditors</b>			
Amounts falling due after one year	19	(4,328,912)	(4,401,990)
		<hr/>	<hr/>
<b>Net assets</b>		1,016,621	955,548
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	22	4,950	4,950
Share premium account	23	490,050	490,050
Profit and loss account	23	521,621	460,548
		<hr/>	<hr/>
<b>Shareholders' equity</b>		1,016,621	955,548
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 21 November 2018 and were signed on its behalf by:



**Mr P Venners**  
**Director**

**Company registration number - 06888746**

The notes on pages 13 to 24 form part of these financial statements.

**LEEC HOLDINGS LIMITED**

**GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018**

	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	221,658	302,969
<i>Adjustments for:</i>		
Interest receivable	(127)	(267)
Interest payable	46,708	49,499
Tax on profit on ordinary activities	33,787	(83,078)
Amortisation and depreciation	160,872	143,671
Loss on disposal of fixed assets	2,420	1,669
<i>Changes in:</i>		
(Increase)/decrease in stocks	(157,808)	20,844
Decrease/(increase) in debtors	337,098	(476,405)
(Decrease)/increase in creditors	(107,687)	654,863
Non-cash movement in warranty provisions	(3,765)	4,137
	<hr/>	<hr/>
Cash generated from operations	533,156	617,902
Interest receivable	127	267
Interest payable	(46,708)	(49,499)
Tax paid or received	-	(4,797)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	486,575	563,873
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(85,198)	(89,470)
Sale of tangible fixed assets	4,803	500
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	(80,395)	(88,970)
<b>Cash flows from financing activities</b>		
Repayment of bank loans	(86,878)	(82,498)
Repayment of other loans	(125,000)	(108,888)
Capital element of hire purchase repayments	(20,000)	(20,000)
Dividends paid	(5,000)	-
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	(236,878)	(211,386)
	<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>	169,302	263,517
Cash and cash equivalents at the beginning of the year	1,004,766	741,249
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>1,174,068</u>	<u>1,004,766</u>

**LEEC HOLDINGS LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 May 2016</b>	4,950	490,050	516,035	1,011,035
Profit for the year after taxation	-	-	302,969	302,969
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2017 and 1 May 2017</b>	4,950	490,050	819,004	1,314,004
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year after taxation	-	-	221,658	221,658
Dividends paid	-	-	(10,000)	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2018</b>	4,950	490,050	1,030,662	1,525,662
	<hr/>	<hr/>	<hr/>	<hr/>

**LEEC HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>At 1 May 2016</b>	4,950	490,050	400,759	895,759
Profit for the year after taxation	-	-	59,789	59,789
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2017 and 1 May 2017</b>	4,950	490,050	460,548	955,548
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year after taxation	-	-	71,073	71,073
Dividends paid	-	-	(10,000)	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2018</b>	4,950	490,050	521,621	1,016,621
	<hr/>	<hr/>	<hr/>	<hr/>

## LEEC HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

#### 1. General information

LEEC Holdings Limited is a private company limited by shares and registered in the United Kingdom. The address of the registered office, which is also the principal place of business, is given in the company information page of these financial statements.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland.'

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity, rounded to the nearest pound (£).

##### Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 30 April 2018 to the extent of the group's interest in that undertaking and after eliminating intra-group transactions. Accounting policies are adjusted, where appropriate, to conform to group accounting policies.

In the company's financial statements investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

A separate income statement for the parent company has not been presented in accordance with Section 408 of the Companies Act 2006. The result of the parent company dealt with in these financial statements is disclosed in note 9. The individual accounts of LEEC Holdings Limited have also taken the exemption available from the requirement to present a statement of cash flows.

##### Turnover

Turnover represents the fair value of all goods sold during the year, less returns received, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company and group has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

For long term contracts, turnover represents the fair value of work done in the year and is determined by reference to the stage of completion of each contract. The stage of completion is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

##### Research and development

Research and development expenditure is written off in the income statement in the period in which it is incurred.

##### Goodwill and amortisation

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the date of acquisition.

## LEEC HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

#### 3. Accounting policies (continued)

##### Tangible fixed assets and depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost of all fixed assets to their estimated residual values by equal annual instalments over their expected useful lives as follows:

Freehold property	2% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance/25% straight line
Motor vehicles	25% reducing balance

No depreciation is charged on freehold land.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

##### Leasing and hire purchase commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

All other leases are operating leases and the annual rentals are charged to the income statement on a straight line basis over the lease term.

##### Stock and work in progress

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Cost is calculated using the first in first out method and includes the normal cost of transporting stock to its present location and condition. Net realisable value is the anticipated sales proceeds less any costs of disposal.

Work in progress is valued on the basis of direct material cost. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of any work in progress.

##### Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the statement of financial position date with certain limited exceptions.



# LEEC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

### 3. Accounting policies (continued)

#### Taxation (continued)

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

#### Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. The pension charge represents the amounts payable by the company and group to the fund in respect of the year. The assets of the scheme are held separately from those of the company and group in an independently administered fund.

#### Foreign currency translation

In preparing the financial statement of the individual companies, transactions in currencies other than the functional currency of those companies (foreign currencies) are recognised by applying the HMRC monthly exchange rate in the month of the transaction. At the statement of financial position date monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the HMRC exchange rate ruling at the statement of financial position date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the HMRC rate of exchange ruling at the date of the transaction and are not retranslated at the year end rate. Exchange differences are recognised in profit or loss for the period in which they arise.

#### Finance costs

Costs associated with debt financing are deferred in Other Debtors and released over the life of the related loans.

### 4. Turnover

The turnover of the company and group for the year has been derived from its principal activity. An analysis of turnover, analysed geographically between markets, is given below:

	2018 £	2017 £
United Kingdom	6,105,493	5,542,620
Overseas	1,345,830	2,571,506
	<hr/>	<hr/>
	7,451,323	8,114,126
	<hr/>	<hr/>

### 5. Interest receivable and similar income

	2018 £	2017 £
Bank interest	127	267
	<hr/>	<hr/>
	127	267
	<hr/>	<hr/>

**LEEC HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

**6. Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is stated after:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Amortisation of goodwill	45,702	45,702
Depreciation on owned assets	87,670	70,469
Depreciation on assets held under hire purchase contracts	27,500	27,500
Loss on disposal of tangible assets	2,420	1,669
Cost of stocks recognised as an expense	3,396,650	4,095,425
Impairment of trade debtors	-	16,622
Operating lease rentals	120,618	142,430
Auditor's remuneration – audit services	10,250	10,250
Net loss on foreign currency translation	25,943	-
Research and development expense	894	125
	<u>                    </u>	<u>                    </u>
and after crediting:		
Foreign exchange gains	-	4,379
Recovery of bad debts	44,586	-
	<u>                    </u>	<u>                    </u>

Included within auditor's remuneration for audit work above is £9,500 (2017 - £9,500) relating to the audit of the subsidiary undertaking.

**7. Interest payable**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Release of deal costs and financing costs	5,729	4,068
Loan and mortgage interest payable	40,979	45,431
	<u>                    </u>	<u>                    </u>
	46,708	49,499
	<u>                    </u>	<u>                    </u>

**8. Tax on profit on ordinary activities**

The tax charge/(credit) is based on the profit for the year and represents:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
UK Corporation tax	14,533	9,065
Adjustments in respect of previous years	216	(1,005)
	<u>                    </u>	<u>                    </u>
Total current tax	14,749	8,060
Deferred tax:		
Origination and reversal of timing differences	19,038	(91,138)
	<u>                    </u>	<u>                    </u>
Tax on results on ordinary activities	33,787	(83,078)
	<u>                    </u>	<u>                    </u>

# LEEC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

### 8. Tax on profit on ordinary activities (continued)

#### Factors affecting corporation tax charge for period

The tax assessed for the year is lower than that applying the standard rate of corporation tax in the United Kingdom of 19% (2017 – lower than that applying 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	255,445	219,891
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	48,535	43,978
Effects of:		
Expenses not deductible for tax purposes	9,953	11,478
Capital allowances in excess of depreciation	2,847	(1,264)
Research and development relief	(27,085)	(45,127)
Utilisation of tax losses	(19,717)	-
Adjustment in respect of previous period	216	(1,005)
Movements in deferred tax provision	19,038	(91,138)
<b>Tax on results on ordinary activities</b>	<b>33,787</b>	<b>(83,078)</b>

### 9. Result of the parent company

As permitted by Section 408 of the Companies Act 2006 no income statement is presented for LEEC Holdings Limited. The profit after taxation dealt with in the financial statements of the parent undertaking is £71,073 (2017 – profit of £59,789).

### 10. Employees

	2018 £	2017 £
Staff costs, including directors' remuneration were:		
Wages and salaries	2,429,132	2,305,186
Social security costs	173,748	166,678
Other pension costs	45,615	43,745
	<b>2,648,495</b>	<b>2,515,609</b>

The average number of persons employed (including directors) during the year was as follows:

	2018 Number	2017 Number
Office and management	30	27
Production	37	37
	<b>67</b>	<b>64</b>

**LEEC HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

**11. Director's remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration including benefits in kind	-	-
Pension contributions	6,300	6,300
	<u>6,300</u>	<u>6,300</u>

During the year one director was accruing benefits under a money purchase scheme (2017 – 1).

**12. Dividends**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Declared during the year	10,000	-
	<u>10,000</u>	<u>-</u>

**13. Intangible fixed assets**

**Group**

**Goodwill**  
**£**

**Cost**

At 1 May 2017 and 30 April 2018 457,017

**Amortisation**

At 1 May 2017 327,586  
Charge for the year 45,702

At 30 April 2018 373,288

**Net book value**

At 30 April 2018 83,729

At 30 April 2017 129,431

Amortisation of intangible fixed assets is included in administrative expenses.

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures, fittings, equipment and vehicles £	Total £
<u>Cost or valuation</u>				
At 1 May 2017	1,319,719	361,786	190,236	1,871,741
Additions	5,621	58,525	21,052	85,198
Disposals	-	(33,214)	(19,883)	(53,097)
Revaluation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2018	1,325,340	387,097	191,405	1,903,842
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 1 May 2017	105,938	184,394	126,499	416,831
Provided in year	23,012	69,657	22,501	115,170
Eliminated on disposals	-	(28,064)	(17,810)	(45,874)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2018	128,950	225,987	131,190	486,127
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2018	1,196,390	161,110	60,215	1,417,715
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2017	1,213,781	177,392	63,737	1,454,910
	<hr/>	<hr/>	<hr/>	<hr/>

The company's fixed assets relate to the freehold property as included in the table above, prior to making consolidation adjustments.

**LEEC HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

**14. Tangible fixed assets (continued)**

Group (continued)

The net book value of tangible fixed assets includes an amount of £38,500 (2017 - £66,000) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged on these assets during the year amounted to £27,500 (2017 - £27,500).

**15. Fixed asset investments**

Company

**Shares in  
subsidiary  
undertakings  
£**

At cost

At 1 May 2017 and 30 April 2018

4,000,000

**16. Stock and work in progress**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	619,982	541,879	-	-
Work in progress	40,482	58,466	-	-
Finished goods	181,123	83,434	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	841,587	683,779	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**17. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,144,716	1,385,413	-	-
Corporation tax repayable	-	-	-	-
Other debtors	50,919	50,516	32,487	38,215
Director's loan account	7,302	-	-	-
Prepayments	111,292	234,813	-	-
Deferred tax (note 21)	75,150	94,850	75,150	94,850
	<hr/>	<hr/>	<hr/>	<hr/>
	1,389,379	1,765,592	107,637	133,065
	<hr/>	<hr/>	<hr/>	<hr/>

The debtors above include the following amounts falling due after more than one year:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other debtors	27,865	33,754	27,865	33,754
	<hr/>	<hr/>	<hr/>	<hr/>
	27,865	33,754	27,865	33,754
	<hr/>	<hr/>	<hr/>	<hr/>

# LEEC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

### 18. Creditors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<u>Amounts falling due within one year:</u>				
Bank loans	85,800	83,600	85,800	83,600
Other loans	120,000	120,000	120,000	120,000
Obligations under finance leases and hire purchase contracts	20,000	20,000	-	-
Trade creditors	1,244,200	1,476,927	-	-
Other creditors	20,049	56,950	-	-
Corporation tax	9,398	9,065	-	-
Other taxation and social security	123,129	103,601	-	-
Accruals and deferred income	495,869	353,456	12,667	12,667
	<u>2,118,445</u>	<u>2,223,599</u>	<u>218,467</u>	<u>216,267</u>

The bank loan is secured by way of unlimited debentures from LEEC Holdings Limited and its subsidiary LEEC Limited and by fixed and floating charges over the assets of LEEC Limited. A guarantee is also in place between the bank, LEEC Holdings Limited and LEEC Limited.

The hire purchase creditor is secured on the asset to which it relates.

### 19. Creditors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<u>Amounts falling due after one year:</u>				
Bank loans	808,132	897,210	808,132	897,210
Other loans	372,919	497,919	372,919	497,919
Obligations under finance leases and hire purchase contracts	28,333	48,332	-	-
Amounts owed to group undertakings	-	-	3,147,861	3,006,861
	<u>1,209,384</u>	<u>1,443,461</u>	<u>4,328,912</u>	<u>4,401,990</u>

The bank loan is secured by way of unlimited debentures from LEEC Holdings Limited and its subsidiary LEEC Limited and by fixed and floating charges over the assets of LEEC Limited. A guarantee is also in place between the bank, LEEC Holdings Limited and LEEC Limited.

At 30 April 2018 other loans, being secured loan notes owed to Mr P Venners, a director of the company, are secured by way of legal mortgage and by fixed and floating charges over the assets of LEEC Limited. The loan notes are not subject to interest.

The loan notes were assigned to Mr P Venners on 31 March 2014.

**LEEC HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

**20. Borrowings - Group**

**Year ended 30 April 2018**

Repayments fall due	Under one year £	1-5 years £	Total £
Bank loans	85,800	278,365	364,165
Other loans	120,000	372,919	492,919
Obligations under finance leases and hire purchase contracts	20,000	28,333	48,333
	<u>225,800</u>	<u>679,617</u>	<u>905,417</u>

At 30 April 2018 bank loans totalling £529,767 were classified as falling due after more than five years.

Fixed rate debt is repayable by monthly instalments with an aggregate interest margin of 1.9%, and variable rate debt is repayable by monthly instalments at a rate of 2.3% above the UK base rate.

**Year ended 30 April 2017**

Repayments fall due	Under one year £	1-5 years £	Total £
Bank loans	83,600	303,460	387,060
Other loans	120,000	497,919	617,919
Obligations under finance leases and hire purchase contracts	20,000	48,332	68,332
	<u>223,600</u>	<u>849,711</u>	<u>1,073,311</u>

At 30 April 2017 bank loans totalling £593,750 were classified as falling due after more than five years.

**21. Deferred taxation**

The amount provided for deferred taxation is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018 £</b>	<b>2017 £</b>	<b>2018 £</b>	<b>2017 £</b>
Accelerated capital allowances (note 27)	20,388	21,050	-	-
Impact of brought forward losses (note 17)	(75,150)	(94,850)	(75,150)	(94,850)
	<u>(54,762)</u>	<u>(73,800)</u>	<u>(75,150)</u>	<u>(94,850)</u>
Net (asset)/provision				
		<b>Group £</b>	<b>Company £</b>	
Provision at 1 May 2017 (note 27)		(73,800)	(94,850)	
Deferred tax credit in income statement		19,038	19,700	
		<u>(54,762)</u>	<u>(75,150)</u>	
Net asset at 30 April 2018				



**LEEC HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018**

**22. Called up share capital**

	<b>Allotted &amp; fully paid</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Equity shares:</b>		
495,000 Ordinary shares of £0.01 each	4,950	4,950
	<u>4,950</u>	<u>4,950</u>

**23. Reserves**

Called up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Investment property revaluation reserve – represents increases or decreases in the valuation of investment properties.

**24. Pension commitments**

The group operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company or group.

Contributions payable for the year were:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Pension contributions	45,615	43,745	6,300	6,300
	<u>45,615</u>	<u>43,745</u>	<u>6,300</u>	<u>6,300</u>

**25. Subsidiary undertaking**

<b>Company</b>	<b>Country of registration</b>	<b>Shares held</b>	<b>Principal activity</b>
LEEC Limited	England and Wales	Ordinary 100%	Manufacturer of forensic and pathology equipment

**26. Leasing commitments**

The group's minimum operating lease payments are as follows:

	<b>Land and buildings</b>		<b>Others</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	-	-	112,338	99,691
Between one and five years	-	-	78,194	135,143
Over five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>190,532</u>	<u>234,834</u>

There are no commitments relating to the company.

# LEEC HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

### 27. Provisions for liabilities

	Deferred tax £	Other provisions £	Total £
At 1 May 2017	21,050	36,364	57,414
Charge for the year	(662)	(3,765)	(4,427)
	<hr/>	<hr/>	<hr/>
At 30 April 2018	20,388	32,599	52,987
	<hr/>	<hr/>	<hr/>

#### Other provisions

The group provides a warranty over certain of its products for an average of one year. A warranty provision has been included in these accounts based on the expected costs to be incurred in servicing these agreements over that period.

### 28. Related party transactions

The company has taken advantage of the exemption from disclosing transactions with other companies within the LEEC Holdings group.

At 30 April 2018 the company and group owed P Venners, the director, £492,919 (2017 - £617,919) by way of unpaid loan notes. These are classified as a director's loan account.

During the year P Venners received a dividend totalling £10,000 (2017 - £nil).

During the year Mr R Venners, the son of the director, had an overdrawn loan account amounting to £9,707 (2017 - £9,841) from the group. This is reported within Other Debtors. During the year advances were made of £10,698 (2017 - £1,868) and repayments were made of £10,832 (2017 - £1,022).

### 29. Transactions with the director

#### Advances to the director

The director had an interest free loan due from him to the group during the year.

During the year advances were made totalling £7,302 (2017 - £5,581) and repayments were made by the director of £nil (2017 - £5,581). The amount due from the director to the group at 30 April 2018 was £7,302 (2017 - £nil).

Transactions within the loan account relate to private expenditure paid by the company on behalf of the director, and repayment of these sums by the director to the group.

### 30. Controlling party

The company was under the control of the director, Mr P Venners, throughout the year.