

LEEC HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

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



LEEC HOLDINGS LIMITED

Directors	Mr P Venners Mr R P Venners Mrs E Venners Ms A L Smith
Secretary	Mrs E S Anderson
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 2021

Business review and future plans

The company and its group have reported another strong trading performance for the year, highlighted by increasing turnover and profitability in a competitive market. A significant contract linked to the Covid-19 pandemic was won in 2020 and this was still in effect for the first month of the year. The short term hire contracts which were also extended by the customers as the pandemic continued to continue into the latter stages of 2020. The Board decided to change the product mix going forward, gearing the mix towards more high margin bespoke kits rather than standard off the shelf kits.

Analysis of key performance indicators

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

Turnover has increased from £12,776,623 to £14,802,653 and gross margin has improved. Overheads remain well controlled resulting in a net profit before taxation of £4,814,958.

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 intend on 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. The group has been successful in maximising tax relief available for its research and development activities in the year, together also with its patented products.

This report was approved by the Board on 27.10.21 and signed on its behalf by



Mr P Venners
Director

LEEC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

Financial statements

The directors present their report together with the consolidated financial statements of the group for the year ended 30 April 2021.

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 £144,705 (2020 - £125,305) were declared and paid or payable during the year.

Directors

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

Mr P Venners	
Mr R P Venners	Appointed 31 July 2020
Mrs E Venners	Appointed 31 July 2020
Ms A L Smith	Appointed 31 July 2020

Professional indemnity insurance

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

Statement of director's responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are 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 directors are 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 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEEC HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021 (CONTINUED)

Strategic Report

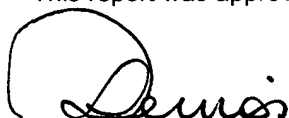
The directors have prepared a review of the business, together with a summary of the principal risks and uncertainties affecting the company, and these are detailed within the Strategic Report on page 1. The report includes an explanation of the company and group's financial risk management policies.

Statement as to disclosure of information to auditors

In so far as the directors are 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 directors have taken all of the steps that they ought to have taken to make themselves 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 27.10.21 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 2021 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 2021 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

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.

Bases 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.

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.

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:

- Our approach included obtaining an understanding of the legal and regulatory frameworks that are applicable to the company and we determined those that are most significant. Based on the results of our risk assessment we designed audit procedures to identify non-compliance with such laws and regulations. The specific procedures included enquiry of management and those charged with governance around actual and potential litigation and claims.
- In addition, and based on the results of our risk assessment we designed audit procedures to identify and address material misstatements in relation to fraud. Specifically we considered the risk of fraud through management override that may lead to a misappropriation of assets or inappropriate financial reporting. In response, we performed audit work over the risk of management override of controls, including testing journals entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with laws and regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion omission or misrepresentation.

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.
- 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**

29 October 2021

LEEC HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 £	2020 £
Group turnover - continuing operations	4	14,802,653	12,776,623
Cost of sales		(7,866,322)	(8,434,157)
Gross profit		6,936,331	4,342,466
Distribution costs		(176,743)	(143,664)
Administrative expenses		(1,988,868)	(2,247,743)
Other operating income		72,776	30,176
Operating profit - continuing operations	6	4,843,496	1,981,235
Interest receivable	5	680	1,089
Interest payable	7	(29,218)	(33,799)
Profit on ordinary activities before taxation		4,814,958	1,948,525
Tax on profit on ordinary activities	8	(873,329)	(284,965)
Profit for the financial year and total comprehensive income		3,941,629	1,663,560

The notes on pages 13 to 25 form part of these financial statements.

LEEC HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	13		-		-
Tangible assets	14		4,197,456		1,431,906
			<u>4,197,456</u>		<u>1,431,906</u>
Current assets					
Stocks	16	1,213,151		1,867,923	
Debtors	17	2,401,258		5,686,857	
Cash at bank and in hand		4,568,872		4,266,042	
		<u>8,183,281</u>		<u>11,820,822</u>	
Creditors					
Amounts falling due within one year	18	(4,189,833)		(8,867,849)	
Net current assets			<u>3,993,448</u>		<u>2,952,973</u>
Total assets less current liabilities			8,190,904		4,384,879
Creditors					
Amounts falling due after one year	19		(766,554)		(846,567)
Provisions for liabilities	27		(181,881)		(92,767)
Net assets			<u>7,242,469</u>		<u>3,445,545</u>
Capital and reserves					
Called up share capital	22		4,950		4,950
Share premium account	23		490,050		490,050
Profit and loss account	23		6,747,469		2,950,545
Shareholders' funds			<u>7,242,469</u>		<u>3,445,545</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27.10.21 and were signed on its behalf by:



Mr P Venners
Director

Company registration number - 06888746

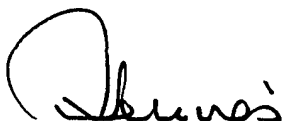
The notes on pages 13 to 25 form part of these financial statements.

LEEC HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021	2020
		£	£
Fixed assets			
Investments	15	4,000,100	4,000,000
Tangible assets	14	1,344,167	1,347,167
		<u>5,344,267</u>	<u>5,347,167</u>
Current assets			
Debtors	17	2,499,202	58,192
Cash at bank and in hand		708,980	87,353
		<u>3,208,182</u>	<u>145,545</u>
Creditors			
Amounts falling due within one year	18	(180,667)	(220,671)
Net current assets		<u>3,027,515</u>	<u>(75,126)</u>
Total assets less current liabilities		<u>8,371,782</u>	<u>5,272,041</u>
Creditors			
Amounts falling due after one year	19	(455,282)	(4,102,108)
Net assets		<u>7,916,500</u>	<u>1,169,933</u>
Capital and reserves			
Called up share capital	22	4,950	4,950
Share premium account	23	490,050	490,050
Profit and loss account	23	7,421,500	674,933
Shareholders' equity		<u>7,916,500</u>	<u>1,169,933</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27.10.21 and were signed on its behalf by:



Mr P Venners
Director

Company registration number - 06888746

The notes on pages 13 to 25 form part of these financial statements.

LEEC HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	3,941,629	1,663,560
<i>Adjustments for:</i>		
Interest receivable	(680)	(1,089)
Interest payable	29,218	33,799
Tax on profit on ordinary activities	873,329	284,965
Amortisation and depreciation	119,640	113,908
(Profit)/loss on disposal of fixed assets	(8,200)	(2,164)
<i>Changes in:</i>		
Decrease/(increase) in stocks	654,772	(874,905)
Decrease/(increase) in debtors	3,262,591	(4,117,564)
(Decrease)/increase in creditors	(5,232,883)	6,239,218
Non-cash movement in warranty provisions	11,406	14,528
	<hr/>	<hr/>
Cash generated from operations	3,650,822	3,354,256
Interest receivable	680	1,089
Interest payable	(29,218)	(33,799)
Tax paid or received	(247,007)	9,398
	<hr/>	<hr/>
Net cash from operating activities	3,375,277	3,330,944
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,570,853)	(68,096)
Sale of tangible fixed assets	23,200	7,689
	<hr/>	<hr/>
Net cash used in investing activities	(2,547,653)	(60,407)
Cash flows from financing activities		
Repayment of bank loans	(216,969)	(91,648)
Repayment of other loans	(120,000)	(125,000)
Capital element of hire purchase repayments	(43,120)	(22,031)
Dividends paid	(144,705)	(125,305)
	<hr/>	<hr/>
Net cash used in financing activities	(524,794)	(363,984)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	302,830	2,906,553
Cash and cash equivalents at the beginning of the year	4,266,042	1,359,489
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	4,568,872	4,266,042
	<hr/>	<hr/>

LEEC HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 May 2019	4,950	490,050	1,412,290	1,907,290
Profit for the year after taxation	-	-	1,663,560	1,663,560
Dividends paid			(125,305)	(125,305)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2020 and 1 May 2020	4,950	490,050	2,950,545	3,445,545
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year after taxation	-	-	3,941,629	3,941,629
Dividends paid	-	-	(144,705)	(144,705)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2021	4,950	490,050	6,747,469	7,242,469
	<hr/>	<hr/>	<hr/>	<hr/>

LEEC HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 May 2019	4,950	490,050	586,382	1,081,382
Profit for the year after taxation	-	-	213,856	213,856
Dividends paid			(125,305)	(125,305)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2020 and 1 May 2020	4,950	490,050	674,933	1,169,933
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year after taxation	-	-	6,891,272	6,891,272
Dividends paid	-	-	(144,705)	(144,705)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2021	4,950	490,050	7,421,500	7,916,500
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LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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 2021 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 2021

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 2021

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:

	2021 £	2020 £
United Kingdom	11,996,343	10,998,461
Overseas	2,806,310	1,778,162
	<hr/>	<hr/>
	14,802,653	12,776,623
	<hr/>	<hr/>

5. Interest receivable and similar income

	2021 £	2020 £
Bank interest	680	1,089
	<hr/>	<hr/>
	680	1,089
	<hr/>	<hr/>

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

6. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2021	2020
	£	£
Operating profit is stated after charging:		
Amortisation of goodwill	-	38,027
Depreciation on owned assets	79,124	72,569
Depreciation on assets held under hire purchase contracts	40,516	3,312
Loss on disposal of tangible assets	-	-
Cost of stocks recognised as an expense	5,572,009	6,261,964
Impairment of trade debtors	274	159
Operating lease rentals	275,939	279,514
Auditor's remuneration – audit services	16,980	10,250
Net loss on foreign currency translation	17,720	-
R&D expenditure written off	896	-
Pension scheme contributions	6,300	-
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible assets	8,200	2,164
Net profit on foreign currency translation	-	10,858
	<u> </u>	<u> </u>

Included within auditor's remuneration for audit work above is £12,500 (2020 - £9,500) relating to the audit of the subsidiary undertaking.

7. Interest payable

	2021	2020
	£	£
Release of deal costs and financing costs	2,834	2,789
Loan and mortgage interest payable	26,384	31,010
	<u> </u>	<u> </u>
	29,218	33,799
	<u> </u>	<u> </u>

8. Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	2021	2020
	£	£
UK Corporation tax	772,068	247,419
Adjustments in respect of previous years	(412)	-
	<u> </u>	<u> </u>
Total current tax	772,068	247,419
Deferred tax:		
Origination and reversal of timing differences	101,261	37,546
	<u> </u>	<u> </u>
Tax on results on ordinary activities	873,329	284,965
	<u> </u>	<u> </u>

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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% (2020 – lower than that applying 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	4,814,958	1,948,525
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	914,842	370,220
Effects of:		
Expenses not deductible for tax purposes	898	8,157
Capital allowances in excess of depreciation	(80,373)	(14,473)
Research and development relief	(22,153)	(44,308)
Patent box tax relief	(17,593)	(35,186)
Utilisation of tax losses	(23,141)	(36,991)
Adjustment in respect of previous period	(412)	-
Movements in deferred tax provision	101,261	37,546
Tax on results on ordinary activities	873,329	284,965

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 £6,891,272 (2020 – profit of £213,856).

10. Employees

	2021 £	2020 £
Staff costs, including directors' remuneration were:		
Wages and salaries	2,900,774	2,803,478
Social security costs	188,660	182,198
Other pension costs	74,250	204,640
	3,163,684	3,190,316

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

	2021 Number	2020 Number
Office and management	23	25
Production	39	41
	62	66

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

11. Directors' remuneration

	2021 £	2020 £
Aggregate remuneration including benefits in kind	9,950	-
Pension contributions	10,706	141,100
	<u>20,656</u>	<u>141,100</u>

During the year one director was accruing benefits under a money purchase scheme (2020 – 1).

12. Dividends

	2021 £	2020 £
Declared during the year	<u>144,705</u>	<u>125,305</u>

13. Intangible fixed assets

Group

Goodwill
£

Cost

At 1 May 2020 and 30 April 2021	<u>457,017</u>
---------------------------------	----------------

Amortisation

At 1 May 2020 and 30 April 2021	<u>457,017</u>
---------------------------------	----------------

Net book value

At 30 April 2021	<u>-</u>
At 30 April 2020	<u>-</u>

Amortisation of intangible fixed assets is included in administrative expenses.

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

14. Tangible fixed assets

Group

	Investment property	Freehold property £	Plant and machinery £	Fixtures, fittings, equipment and vehicles £	Total £
<u>Cost or valuation</u>					
At 1 May 2020	-	1,338,265	507,726	211,845	2,057,836
Additions	2,368,714	23,860	432,344	75,272	2,900,190
Disposals	-	-	(144,999)	-	(144,999)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2021	2,368,714	1,362,125	795,071	287,117	4,813,027
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>					
At 1 May 2020	-	155,624	334,852	135,454	625,930
Provided in year	-	3,456	81,089	35,095	119,640
Eliminated on disposals	-	-	(129,999)	-	(129,999)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2021	-	159,080	285,942	170,549	615,571
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2021	2,368,714	1,203,045	509,129	116,568	4,197,456
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value at 30 April 2020	-	1,182,641	172,874	76,391	1,431,906
	<hr/>	<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 2021

14. Tangible fixed assets (continued)

Group (continued)

The net book value of tangible fixed assets includes an amount of £399,205 (2020 - £88,792) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged on these assets during the year amounted to £40,516 (2020 - £3,312).

15. Fixed asset investments

Company

Shares in
subsidiary
undertakings
£

At cost

At 1 May 2020	4,000,000
Additions	100
	<hr/>
At 30 April 2021	4,000,100
	<hr/>

16. Stock and work in progress

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	760,983	1,150,492	-	-
Work in progress	425,970	550,313	-	-
Finished goods	26,198	167,118	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,213,151	1,867,923	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,908,607	5,233,715	-	-
Other debtors	231,886	83,567	22,299	25,083
Amounts owed by group undertakings	-	-	2,467,347	-
Director's loan account	13,480	8,872	-	-
Prepayments and accrued income	237,729	327,594	-	-
Deferred tax (note 21)	9,556	33,109	9,556	33,109
	<hr/>	<hr/>	<hr/>	<hr/>
	2,401,258	5,686,857	2,499,202	58,192
	<hr/>	<hr/>	<hr/>	<hr/>

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

17. Debtors (continued)

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other debtors	19,515	22,296	19,515	22,296
	<hr/>	<hr/>	<hr/>	<hr/>
	19,515	22,296	19,515	22,296
	<hr/>	<hr/>	<hr/>	<hr/>

18. Creditors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<u>Amounts falling due within one year:</u>				
Bank loans	48,000	88,004	48,000	88,004
Other loans	120,000	120,000	120,000	120,000
Obligations under finance leases and hire purchase contracts	85,187	32,717	-	-
Trade creditors	1,332,634	3,931,308	-	-
Other creditors	34,521	21,879	-	-
Corporation tax	773,024	247,419	-	-
Other taxation and social security	220,894	1,005,890	-	-
Accruals and deferred income	1,575,573	3,420,632	12,667	12,667
	<hr/>	<hr/>	<hr/>	<hr/>
	4,189,833	8,867,849	180,667	220,671
	<hr/>	<hr/>	<hr/>	<hr/>

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. The bank also holds a first legal charge over the commercial freehold property. A guarantee is also in place between the bank, LEEC Holdings Limited and LEEC Limited.

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

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Creditors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<u>Amounts falling due after one year:</u>				
Bank loans	447,363	624,328	447,363	624,328
Other loans	7,919	127,919	7,919	127,919
Obligations under finance leases and hire purchase contracts	280,482	46,735	-	-
Amounts owed to group undertakings	-	-	-	3,349,861
Deferred income	30,790	47,585	-	-
	<u>766,554</u>	<u>846,567</u>	<u>455,282</u>	<u>4,102,108</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. The bank also holds a first legal charge over the commercial freehold property. A guarantee is also in place between the bank, LEEC Holdings Limited and LEEC Limited.

At 30 April 2021 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.

20. Borrowings - Group

Year ended 30 April 2021

Repayments fall due	Under one year	1-5 years	Total
	£	£	£
Bank loans	48,000	240,000	288,000
Other loans	120,000	7,919	127,919
Obligations under finance leases and hire purchase contracts	85,187	280,482	365,669
	<u>253,187</u>	<u>528,401</u>	<u>781,588</u>

At 30 April 2021 bank loans totalling £255,363 were classified as falling due after more than five years.

Fixed rate and variable rate debt are repayable by monthly instalments in accordance with their contractual terms.

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

20. Borrowings - Group (continued)

Year ended 30 April 2020

Repayments fall due	Under one year £	1-5 years £	Total £
Bank loans	88,004	240,000	328,004
Other loans	120,000	127,919	247,919
Obligations under finance leases and hire purchase contracts	32,717	46,735	79,452
	<u>240,721</u>	<u>414,654</u>	<u>655,375</u>

At 30 April 2020 bank loans totalling £384,328 were classified as falling due after more than five years.

21. Deferred taxation

The amount provided for deferred taxation is as follows:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Accelerated capital allowances (note 27)	112,648	34,940	-	-
Impact of brought forward losses (note 17)	(9,556)	(33,109)	(9,556)	(33,109)
	<u>103,092</u>	<u>1,831</u>	<u>(9,556)</u>	<u>(33,109)</u>
Net (asset)/provision				
		Group £	Company £	
Net asset at 1 May 2020		1,831	(33,109)	
Deferred tax charge in income statement		101,261	23,553	
		<u>103,092</u>	<u>(9,556)</u>	
Net provision/(asset) at 30 April 2021				

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

22. Called up share capital

	Allotted & fully paid	
	2021	2020
	£	£
Equity shares:		
371,250 Ordinary A shares of £0.01 each	3,713	3,713
49,500 Ordinary B shares of £0.01 each	495	495
49,500 Ordinary C shares of £0.01 each	495	495
24,750 Ordinary D shares of £0.01 each	247	247
	<hr/>	<hr/>
	4,950	4,950
	<hr/>	<hr/>

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.

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:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Pension contributions	74,250	204,640	6,300	141,100
	<hr/>	<hr/>	<hr/>	<hr/>

25. Subsidiary undertaking

Company	Country of registration	Shares held	Principal activity
LEEC Limited	England and Wales	Ordinary 100%	Manufacturer of forensic and pathology equipment
Pear Tree Houses Limited	England and Wales	Ordinary 100%	Residential property investment

26. Leasing commitments

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

	Land and buildings		Others	
	2021	2020	2021	2020
	£	£	£	£
Within one year	-	-	100,991	94,853
Between one and five years	-	-	114,337	187,695
Over five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	215,328	282,548
	<hr/>	<hr/>	<hr/>	<hr/>

There are no commitments relating to the company.

LEEC HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

27. Provisions for liabilities

	Deferred tax £	Other provisions £	Total £
At 1 May 2020	34,940	57,827	92,767
Charge/(credit) for the year	77,708	11,406	89,114
At 30 April 2021	112,648	69,233	181,881

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 2021 the company and group owed P Venners, the director, £127,919 (2020 - £247,919) by way of unpaid loan notes. These are classified as a director's loan account.

During the year certain directors received dividends totalling £144,705 (2020 - £125,305).

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 to Mr P Venners and Mr R Venners totalling £3,613 (2020 - £22,164) and £88,669 (2020 - £86,104) respectively. Repayments were made by the directors of £10,872 (2020 - £24,110) and £86,728 (2020 - £91,167) respectively. The amounts due from the directors to the group at 30 April 2021 were £1,613 (2020 - £8,872) and £11,867 (2020 - £9,926) respectively.

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.