

Company Registration No. 01110305 (England and Wales)

LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY INFORMATION**

Directors	L D Marshall A Dodge C Curzon I Morton	(Appointed 15 June 2021)
Secretary	I Morton	
Company number	01110305	
Registered office	Woodston Point Shrewsbury Avenue Peterborough United Kingdom PE2 7LB	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Business address	Woodston Point Shrewsbury Avenue Peterborough United Kingdom PE2 7LB	
Bankers	HSBC Bank plc Cathedral Square Peterborough United Kingdom PE1 1XL	

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
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LAWRENCE DAVID LIMITED AND ITS GROUP UNDERTAKINGS STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The results for the period reflect the recovery of the business post COVID-19. The factory was fully operational through the year. The business volumes to recovered due to a strong order book which has continued into 2022 and orders are at the highest level for a number of years.

For the product segments we operate in we are 2nd in terms of market share and this position has been strengthened during 2021.

The group continues its commitment to innovation, quality and expertise to be the UK's premium commercial trailer and rigid body manufacturer. Manufacturing, repair and servicing services are the core of the group's activity and long term strategy.

The business is now fully integrated into the Wielton Group from the supply of chassis perspective. Collaboration with Wielton Group, Europe's 3rd largest trailer manufacture, increased during the period benefiting product quality, purchasing synergies and broader product range.

To deliver the strategic intent the management team proactively monitors operational and commercial activity. The use of revenue generation, productivity, cost development and cash generation KPIs is incorporated within the process to measure progress against set objectives and metrics.

Principal risks and uncertainties

Business Environment. The company operates in a very competitive sector with competition from with the UK and new entrants from Europe

Principle risks affecting the group include increasing raw material prices and reduced availability, fluctuating exchange rates, market demand and uncertainties around the broader economy.

The group's management endeavour to mitigate these risks by implementing regular strategic management and supervisory board reviews covering all aspects of risk the business is exposed to including suppliers invoicing in £. Material prices rises are partially offset by buying early and holding more stock

New practices and investment in renewable energy sourcing, waste monitoring and disposal, as well as one-use plastic reduction continues in order to reduce the groups' environmental impact.

The group remains committed to employee engagement and protection through direct communications and safeguarding policies. Equal employment opportunities and pay are offered regardless of ethnic and social backgrounds.

Financial risk management objectives and policies

The Company does only use a small amount of € hedging as part of its financial risk management. It is exposed to credit risk, liquidity risk and cash flow risk. The credit risk on liquid funds is limited because its counterpart bank has double A credit ratings from all three of the internationally recognised credit agencies.

The Company ensures it has sufficient financing facilities available through cash generated from operating activities and its bank facilities to meet projected cash flow needs in both the short and medium term.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

A Dodge
Director

30 March 2022

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The group is engaged in the manufacture of specialised commercial vehicle bodies and structures and also the general engineering, manufacture and fabrication of assemblies, sub-assemblies and related products.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

L D Marshall
A Dodge
C Curzon
I Morton

(Appointed 15 June 2021)

Supplier payment policy

It is the group's payment policy in respect of all suppliers to settle outstanding accounts in accordance with the terms and conditions agreed with suppliers when placing orders.

Employee involvement

The group's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report

	2021	2020
<i>Energy consumption</i>	kWh	kWh
	'000's	'000's
Aggregate of energy consumption in the year	11,024	11,621

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	metric	metric
	tonnes	tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	1,503.00	1,484.00
- Fuel consumed for owned transport	98.00	91.00
	<hr/>	<hr/>
	1,601.00	1,575.00
Scope 2 - indirect emissions		
- Electricity purchased	926.00	1,091.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	9.00	7.00
	<hr/>	<hr/>
Total gross emissions	2,536.00	2,673.00
	<hr/>	<hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per employee	9.7	10.2
	<hr/>	<hr/>

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Company is aware of the energy it consumes and makes effort wherever possible to reduce consumption and make processes more energy efficient. During the year this has included the installation of energy efficient lighting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

A Dodge
Director

30 March 2022

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAWRENCE DAVID LIMITED**

Opinion

We have audited the financial statements of Lawrence David Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 31 December 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LAWRENCE DAVID LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LAWRENCE DAVID LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 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 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.

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.

Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

30 March 2022

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP INCOME STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	80,639,898	64,979,116
Cost of sales		(71,107,824)	(58,848,442)
Gross profit		9,532,074	6,130,674
Administrative expenses		(8,231,389)	(8,727,686)
Other operating income		56,108	1,067,853
Operating profit/(loss)	4	1,356,793	(1,529,159)
Interest receivable and similar income	8	-	1,273
Interest payable and similar expenses	9	(20,221)	(72,089)
Profit/(loss) before taxation		1,336,572	(1,599,975)
Tax on profit/(loss)	10	(338,219)	451,881
Profit/(loss) for the financial year		998,353	(1,148,094)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Profit/(loss) for the year	998,353	(1,148,094)
Other comprehensive income	-	-
Total comprehensive income/(expense) for the year	<u>998,353</u>	<u>(1,148,094)</u>

Total comprehensive income/(expense) for the year is all attributable to the owners of the parent company.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		7,983,139		8,034,724
Current assets					
Stocks	15	15,573,930		7,748,301	
Debtors	16	9,312,247		8,508,172	
Cash at bank and in hand		4,922,495		4,718,500	
			<u>29,808,672</u>		<u>20,974,973</u>
Creditors: amounts falling due within one year	17	<u>(26,645,358)</u>		<u>(18,722,610)</u>	
Net current assets			<u>3,163,314</u>		<u>2,252,363</u>
Total assets less current liabilities			<u>11,146,453</u>		<u>10,287,087</u>
Creditors: amounts falling due after more than one year	18		(657,525)		(942,534)
Provisions for liabilities					
Deferred tax liability	20	<u>384,744</u>		<u>238,722</u>	
			<u>(384,744)</u>		<u>(238,722)</u>
Net assets			<u>10,104,184</u>		<u>9,105,831</u>
Capital and reserves					
Called up share capital	22		13,400		13,400
Share premium account			693		693
Revaluation reserve			789,485		789,485
Capital redemption reserve			240		240
Profit and loss reserves			9,300,366		8,302,013
Total equity			<u>10,104,184</u>		<u>9,105,831</u>

The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

A Dodge
Director

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		7,983,139		7,617,640
Investments	12		51		5,476,123
			<u>7,983,190</u>		<u>13,093,763</u>
Current assets					
Stocks	15	15,573,930		7,345,690	
Debtors	16	9,313,440		8,390,885	
Cash at bank and in hand		4,921,251		4,591,994	
		<u>29,808,621</u>		<u>20,328,569</u>	
Creditors: amounts falling due within one year	17	(26,645,358)		(23,125,006)	
Net current assets/(liabilities)			<u>3,163,263</u>		<u>(2,796,437)</u>
Total assets less current liabilities			11,146,453		10,297,326
Creditors: amounts falling due after more than one year	18		(657,525)		(942,534)
Provisions for liabilities					
Deferred tax liability	20	384,744		248,961	
		<u>(384,744)</u>		<u>(248,961)</u>	
Net assets			<u>10,104,184</u>		<u>9,105,831</u>
Capital and reserves					
Called up share capital	22		13,400		13,400
Share premium account			693		693
Revaluation reserve			487,085		5,963,157
Capital redemption reserve			240		240
Profit and loss reserves			9,602,766		3,128,341
Total equity			<u>10,104,184</u>		<u>9,105,831</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £6,474,425 (2020 - £854,834 loss).

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

A Dodge
Director

Company Registration No. 01110305

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020	13,400	693	789,485	240	9,450,107	10,253,925
Year ended 31 December 2020:						
Loss and total comprehensive income for the year	-	-	-	-	(1,148,094)	(1,148,094)
Balance at 31 December 2020	13,400	693	789,485	240	8,302,013	9,105,831
Year ended 31 December 2021:						
Profit and total comprehensive income for the year	-	-	-	-	998,353	998,353
Balance at 31 December 2021	13,400	693	789,485	240	9,300,366	10,104,184

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 January 2020	13,400	693	6,257,263	240	3,983,175	10,254,771
Year ended 31 December 2020:						
Loss for the year	-	-	-	-	(854,834)	(854,834)
Other comprehensive income:						
Revaluation of fixed asset investment	-	-	(294,106)	-	-	(294,106)
Total comprehensive income for the year	-	-	(294,106)	-	(854,834)	(1,148,940)
Balance at 31 December 2020	13,400	693	5,963,157	240	3,128,341	9,105,831
Year ended 31 December 2021:						
Profit for the year	-	-	-	-	6,474,425	6,474,425
Other comprehensive income:						
Revaluation of fixed asset investment	-	-	(5,476,072)	-	-	(5,476,072)
Total comprehensive income for the year	-	-	(5,476,072)	-	6,474,425	998,353
Balance at 31 December 2021	13,400	693	487,085	240	9,602,766	10,104,184

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	26	1,486,299		1,189,333	
Interest paid		(20,221)		(72,089)	
Income taxes refunded		174,659		316,450	
Net cash inflow from operating activities		1,640,737		1,433,694	
Investing activities					
Purchase of tangible fixed assets		(814,451)		(228,919)	
Proceeds on disposal of tangible fixed assets		147,974		32,478	
Receipts arising from loans made		(500,000)		-	
Interest received		-		1,273	
Net cash used in investing activities		(1,166,477)		(195,168)	
Financing activities					
Payment of finance leases obligations		(270,265)		(199,052)	
Net cash used in financing activities		(270,265)		(199,052)	
Net increase in cash and cash equivalents		203,995		1,039,474	
Cash and cash equivalents at beginning of year		4,718,500		3,679,026	
Cash and cash equivalents at end of year		4,922,495		4,718,500	

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27				
		(3,693,374)		1,331,441	
Interest paid		(20,221)		(72,089)	
Income taxes refunded		175,588		317,296	
Net cash (outflow)/inflow from operating activities		(3,538,007)		1,576,648	
Investing activities					
Purchase of tangible fixed assets		(1,196,282)		(228,919)	
Proceeds on disposal of tangible fixed assets		147,975		32,478	
Receipts arising from loans made		(500,000)		-	
Interest received		-		1,273	
Dividends received		5,685,836		-	
Net cash generated from/(used in) investing activities		4,137,529		(195,168)	
Financing activities					
Payment of finance leases obligations		(270,265)		(199,052)	
Net cash used in financing activities		(270,265)		(199,052)	
Net increase in cash and cash equivalents		329,257		1,182,428	
Cash and cash equivalents at beginning of year		4,591,994		3,409,566	
Cash and cash equivalents at end of year		4,921,251		4,591,994	

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies

Company information

Lawrence David Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Woodston Point, Shrewsbury Avenue, Peterborough, United Kingdom, PE2 7LB.

The group consists of Lawrence David Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Lawrence David Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies (Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. We have taken consideration of the effects of COVID-19 in making our assessment.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Tangible fixed assets

With the exception of freehold land which is valued at deemed cost following the transition to FRS102, tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Nil
Land and buildings Leasehold	Nil or 30% p.a. Reducing balance
Plant and machinery	20% p.a. Reducing balance
Fixtures, fittings & equipment	20% p.a. Reducing balance
Computer equipment	20% and 33% p.a. Reducing balance
Motor vehicles	25% and 33% p.a. Reducing balance

The company does not provide for depreciation on freehold and leasehold property which is a departure from FRS102. The directors consider that the property is maintained in such a state of repair that the residual value is at least equal to the net book value. As a result, the corresponding depreciation would not be material and therefore is not charged in the profit and loss account.

Assets under the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Fair value is determined by reference to the balance sheet value. Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverses a loss previously recognised in profit or loss, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies (Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

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

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Manufacture of specialised commercial vehicle bodies and structures	80,574,160	64,906,739
General engineering, manufacture and fabrication of assemblies, sub assemblies and products	65,738	72,377
	<u>80,639,898</u>	<u>64,979,116</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	-	1,273
Government grants received	27,006	940,073
Management fees receivable	29,102	127,780
	<u>29,102</u>	<u>127,780</u>

4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Research and development costs	19,133	26,513
Government grants	(27,006)	(940,073)
Depreciation of owned tangible fixed assets	517,181	621,562
Depreciation of tangible fixed assets held under finance leases	160,149	177,944
Loss on disposal of tangible fixed assets	40,732	82,082
Operating lease charges	912,812	1,000,662
	<u>912,812</u>	<u>1,000,662</u>

**LAWRENCE DAVID LIMITED
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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	16,800	16,250
Audit of the financial statements of the company's subsidiaries	4,500	7,376
	<u>21,300</u>	<u>23,626</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management	4	4	4	4
Administration	27	27	25	23
Production and sales staff	230	232	203	209
	<u>261</u>	<u>263</u>	<u>232</u>	<u>236</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	8,414,338	8,025,682	7,941,297	7,206,802
Social security costs	838,536	760,003	791,232	682,342
Pension costs	180,560	170,674	180,560	170,674
	<u>9,433,434</u>	<u>8,956,359</u>	<u>8,913,089</u>	<u>8,059,818</u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	600,933	455,552
Company pension contributions to defined contribution schemes	1,319	1,532
	<u>602,252</u>	<u>457,084</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

7	Directors' remuneration		(Continued)
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		2021	2020
		£	£
	Remuneration for qualifying services	222,474	192,521
	Company pension contributions to defined contribution schemes	1,319	1,314
		<u> </u>	<u> </u>
8	Interest receivable and similar income		
		2021	2020
		£	£
	Interest income		
	Interest on bank deposits	-	1,273
		<u> </u>	<u> </u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	-	1,273
		<u> </u>	<u> </u>
9	Interest payable and similar expenses		
		2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	406	14,308
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	19,815	56,500
	Other interest	-	1,281
		<u> </u>	<u> </u>
	Total finance costs	20,221	72,089
		<u> </u>	<u> </u>
10	Taxation		
		2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	191,288	-
	Adjustments in respect of prior periods	909	(427,866)
		<u> </u>	<u> </u>
	Total current tax	192,197	(427,866)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	146,022	(24,015)
		<u> </u>	<u> </u>
	Total tax charge/(credit)	338,219	(451,881)
		<u> </u>	<u> </u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	1,336,572	(1,599,975)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	253,949	(303,995)
Tax effect of expenses that are not deductible in determining taxable profit	994	13,568
Permanent capital allowances in excess of depreciation	(9,675)	21,923
Research and development tax credit	-	(175,528)
Other non-reversing timing differences	(53,071)	15,595
Changes in tax rate	-	(207)
Pension adjustments	-	778
Deferred tax movements	146,022	(24,015)
Taxation charge/(credit)	338,219	(451,881)

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

11 Tangible fixed assets														
Group	Land and buildings Freehold	Land and buildings Leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total						
	£	£	£	£	£	£	£	£						
Cost														
At 1 January 2021	3,300,709	965,801	14,087	5,435,670	979,164	740,610	430,704	11,866,745						
Additions	-	-	115,416	483,345	91,370	76,820	47,500	814,451						
Disposals	-	-	-	(400,998)	(120,283)	(83,044)	(220,050)	(824,375)						
Transfers	702,400	(702,400)	(14,087)	-	-	14,087	-	-						
At 31 December 2021	4,003,109	263,401	115,416	5,518,017	950,251	748,473	258,154	11,856,821						
Depreciation and impairment														
At 1 January 2021	-	54,684	-	2,444,720	636,154	466,170	230,293	3,832,021						
Depreciation charged in the year	-	55,300	-	448,023	74,236	61,295	38,476	677,330						
Eliminated in respect of disposals	-	-	-	(380,063)	(86,528)	(59,407)	(109,671)	(635,669)						
At 31 December 2021	-	109,984	-	2,512,680	623,862	468,058	159,098	3,873,682						
Carrying amount														
At 31 December 2021	4,003,109	153,417	115,416	3,005,337	326,389	280,415	99,056	7,983,139						
At 31 December 2020	3,300,709	911,117	14,087	2,990,950	343,010	274,440	200,411	8,034,724						

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

11 Tangible fixed assets		(Continued)									
Company	Land and buildings Freehold	Land and buildings Leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total			
	£	£	£	£	£	£	£	£	£	£	
Cost											
At 1 January 2021	2,938,309	965,801	14,087	4,942,223	886,143	721,759	430,704	10,899,026			
Additions	362,400	-	115,416	502,054	92,092	76,820	47,500	1,196,282			
Disposals	-	-	-	(400,998)	(27,262)	(83,044)	(220,050)	(731,354)			
Transfers	702,400	(702,400)	(14,087)	-	-	14,087	-	-			
At 31 December 2021	4,003,109	263,401	115,416	5,043,279	950,973	729,622	258,154	11,363,954			
Depreciation and impairment											
At 1 January 2021	-	54,684	-	1,974,227	574,015	448,167	230,293	3,281,386			
Depreciation charged in the year	-	55,300	-	443,778	70,881	61,168	38,476	669,603			
Eliminated in respect of disposals	-	-	-	(380,062)	(21,034)	(59,407)	(109,671)	(570,174)			
At 31 December 2021	-	109,984	-	2,037,943	623,862	449,928	159,098	3,380,815			
Carrying amount											
At 31 December 2021	4,003,109	153,417	115,416	3,005,336	327,111	279,694	99,056	7,983,139			
At 31 December 2020	2,938,309	911,117	14,087	2,967,996	312,128	273,592	200,411	7,617,640			

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and machinery	1,441,344	1,601,494	1,441,344	1,601,494
Depreciation charge for the year in respect of leased assets	160,149	177,944	160,149	177,944

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	51	5,476,123

**Movements in fixed asset investments
Company**

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	5,476,123
Valuation changes	(5,476,072)
At 31 December 2021	51
Carrying amount	
At 31 December 2021	51
At 31 December 2020	5,476,123

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Roscope Limited	UK	General engineering, manufacture and fabrication of assemblies and products	Ordinary	100

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

13 Subsidiaries (Continued)

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Roscope Limited	209,764	51

14 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Trade debtors	7,542,167	7,093,004	7,542,167	7,052,971
Other debtors	500,000	-	500,000	-
Cash at bank and in hand	4,922,495	4,718,500	4,921,251	4,591,994
	<u>12,964,662</u>	<u>11,811,504</u>	<u>12,963,418</u>	<u>11,644,965</u>
Carrying amount of financial liabilities				
Obligations under finance leases	952,816	1,223,081	952,816	1,223,081
Trade creditors	4,932,679	3,893,790	4,932,679	3,628,656
Amounts due to group undertakings	13,605,520	8,386,635	13,605,520	13,313,395
Accruals and deferred income	4,974,454	2,125,180	4,974,454	1,865,950
	<u>24,465,469</u>	<u>15,628,686</u>	<u>24,465,469</u>	<u>20,031,082</u>

15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	15,236,964	7,363,976	15,236,964	7,042,047
Work in progress	336,966	384,325	336,966	303,643
	<u>15,573,930</u>	<u>7,748,301</u>	<u>15,573,930</u>	<u>7,345,690</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16 Debtors

	Group	2020	Company	2020
	2021		2021	
Amounts falling due within one year:	£	£	£	£
Trade debtors	7,542,167	7,093,004	7,542,167	7,052,971
Corporation tax recoverable	60,200	427,056	60,120	368,747
Amounts owed by group undertakings	-	-	1,273	-
Other debtors	500,000	-	500,000	-
Prepayments and accrued income	1,209,880	988,112	1,209,880	969,167
	<u>9,312,247</u>	<u>8,508,172</u>	<u>9,313,440</u>	<u>8,390,885</u>

17 Creditors: amounts falling due within one year

		Group	2020	Company	2020
	Notes	2021		2021	
		£	£	£	£
Obligations under finance leases	19	295,291	280,547	295,291	280,547
Trade creditors		4,932,679	3,893,790	4,932,679	3,628,656
Amounts owed to group undertakings		13,605,520	8,386,635	13,605,520	13,313,395
Other taxation and social security		2,715,197	3,923,493	2,715,197	3,923,493
Other creditors		122,217	112,965	122,217	112,965
Accruals and deferred income		4,974,454	2,125,180	4,974,454	1,865,950
		<u>26,645,358</u>	<u>18,722,610</u>	<u>26,645,358</u>	<u>23,125,006</u>

The following guarantees, indemnities and security are held over group companies:

- Unlimited multilateral guarantee dated 19 September 2018 given by Lawrence David Limited, Roscope Limited.
- Debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 12 January 2009 in favour of HSBC.
- Letter of negative pledge dated 12 March 1991.

18 Creditors: amounts falling due after more than one year

		Group	2020	Company	2020
	Notes	2021		2021	
		£	£	£	£
Obligations under finance leases	19	657,525	942,534	657,525	942,534
		<u>657,525</u>	<u>942,534</u>	<u>657,525</u>	<u>942,534</u>

**LAWRENCE DAVID LIMITED
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19 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	295,291	280,547	295,291	280,547
In two to five years	657,525	942,534	657,525	942,534
	<u>952,816</u>	<u>1,223,081</u>	<u>952,816</u>	<u>1,223,081</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	389,180	258,036
Tax losses	-	(12,819)
Retirement benefit obligations	(4,436)	(6,495)
	<u>384,744</u>	<u>238,722</u>
	<u><u>384,744</u></u>	<u><u>238,722</u></u>
	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	389,180	268,275
Tax losses	-	(12,819)
Retirement benefit obligations	(4,436)	(6,495)
	<u>384,744</u>	<u>248,961</u>
	<u><u>384,744</u></u>	<u><u>248,961</u></u>

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20	Deferred taxation	(Continued)	
		Group	Company
		2021	2021
		£	£
	Movements in the year:		
	Liability at 1 January 2021	238,722	248,961
	Charge to profit or loss	146,022	135,783
		<u>384,744</u>	<u>384,744</u>
	Liability at 31 December 2021	<u>384,744</u>	<u>384,744</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature.

Deferred tax is not recognised in respect of capital tax losses of £640,048 as it is not probable that they will be recovered against future taxable profits.

21	Retirement benefit schemes	2021	2020
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	180,560	170,674
		<u>180,560</u>	<u>170,674</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22	Share capital	2021	2020	2021	2020
		Number	Number	£	£
	Ordinary share capital Issued and fully paid				
	Ordinary shares of £1 each	13,400	13,400	13,400	13,400
		<u>13,400</u>	<u>13,400</u>	<u>13,400</u>	<u>13,400</u>

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	865,257	887,866	865,257	873,647
Between two and five years	1,612,980	2,457,392	1,612,980	2,457,392
In over five years	-	25,000	-	25,000
	<u>2,478,237</u>	<u>3,370,258</u>	<u>2,478,237</u>	<u>3,356,039</u>

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24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	181,382	-	181,382	-
	<u>181,382</u>	<u>-</u>	<u>181,382</u>	<u>-</u>

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	600,933	455,552
	<u>600,933</u>	<u>455,552</u>

Transactions with related parties

Roscope Limited pays property rentals of £14,219 (2020 - £56,875) under an arms length lease to the LDM Pension Fund in respect of the proportion of the property owned by the fund. At 31 December 2021 Roscope Limited owed £ Nil (2020 - £51,188) to the LDM pension fund.

During the period Roscope Limited received £54,875 (2020 - £45,454) from Fleet Serv which is the trading division of Lawrence David Holdings Limited in respect of goods provided. Roscope Limited also made purchases of £1,562 (2020 - £3,409) from Fleet Serv. Lawrence David Holdings Limited is a company in which a director has a material interest. At 31 December 2021 Fleet Serv owed £Nil (2020 - £22,739) to Roscope Limited.

During the period Lawrence David Limited received £530,655 (2020 - £838,404) from Fleet Serv which is the trading division of Lawrence David Holdings Limited in respect of management charges and services provided. Lawrence David Limited also made purchases of £170,295 (2020 - £313,766) from Lawrence David Holdings Limited. Lawrence David Holdings Limited is a company in which a director has a material interest. At 31 December 2021 Fleet Serv owed £137,411 (2020 - £188,879) to Lawrence David Limited.

During the period, the company was charged a property rental of £600,000 (2020 - £600,000) by HSO Properties Limited, a company in which a director of the company has a material interest. At 31 December 2021, the company was owed £Nil (2020 - £Nil) by HSO Properties Limited.

During the period Lawrence David Limited made purchases from Wielton S.A of £39,899,957 (2020 - £27,159,244) and made recharges to Wielton S.A of £101,398 (2020 - £228,868), the ultimate parent company. At 31 December 2021 the company owed £11,818,003 (2020 - £8,354,790) to Wielton S.A.

During the period Lawrence David Limited made purchases from Roscope Limited of £3,648,967 (2020 - £3,517,867) and made recharges to Roscope Limited of £167,243 (2020 - £388,364). At 31 December 2021 the company was owed £1,273 from (2020 - owed £4,926,760 to) Roscope Limited.

During the period Lawrence David Limited made purchases from Wielton Logistic Spolka z o.o. of £609 (2020 - £9,425), a fellow subsidiary within the Wielton S.A group. At 31 December 2021 the company owed £Nil (2020 - £1,267) to Wielton Logistic Spolka z o.o.

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25 Related party transactions (Continued)

During the period Lawrence David Limited made purchases from Langendorf GmbH of £3,935,297 (2020 - £149,620), a fellow subsidiary within the Wielton S.A group. At 31 December 2021 the company owed £1,793,946 (2020 - £30,578) to Langendorf GmbH.

During the period Lawrence David Limited made purchases from Langendorf Polska of £6,429 (2020 - £Nil), a fellow subsidiary within the Wielton S.A group. At 31 December 2021 the company owed £6,429 (2020 - £Nil) to Langendorf Polska.

26 Cash generated from group operations

	2021	2020
	£	£
Profit/(loss) for the year after tax	998,353	(1,148,094)
Adjustments for:		
Taxation charged/(credited)	338,219	(451,881)
Finance costs	20,221	72,089
Investment income	-	(1,273)
Loss on disposal of tangible fixed assets	40,732	82,082
Depreciation and impairment of tangible fixed assets	677,330	799,506
Movements in working capital:		
(Increase)/decrease in stocks	(7,825,629)	2,359,193
Increase in debtors	(670,931)	(326,174)
Increase/(decrease) in creditors	7,908,004	(196,115)
Cash generated from operations	<u>1,486,299</u>	<u>1,189,333</u>

27 Cash (absorbed by)/generated from operations - company

	2021	2020
	£	£
Profit/(loss) for the year after tax	6,474,425	(854,834)
Adjustments for:		
Taxation charged/(credited)	268,822	(384,537)
Finance costs	20,221	72,089
Investment income	(5,685,836)	(1,273)
Loss on disposal of tangible fixed assets	13,205	75,481
Depreciation and impairment of tangible fixed assets	669,603	734,432
Movements in working capital:		
(Increase)/decrease in stocks	(8,228,240)	2,042,143
Increase in debtors	(731,182)	(367,831)
Increase in creditors	3,505,608	15,771
Cash (absorbed by)/generated from operations	<u>(3,693,374)</u>	<u>1,331,441</u>

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28 Analysis of changes in net funds - group

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	4,718,500	203,995	4,922,495
Obligations under finance leases	(1,223,081)	270,265	(952,816)
	<u>3,495,419</u>	<u>474,260</u>	<u>3,969,679</u>

29 Analysis of changes in net funds - company

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	4,591,994	329,257	4,921,251
Obligations under finance leases	(1,223,081)	270,265	(952,816)
	<u>3,368,913</u>	<u>599,522</u>	<u>3,968,435</u>

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