

Company Registration No. 02315632 (England and Wales)

LASERSHAPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

LASERSHAPE LIMITED

COMPANY INFORMATION

Directors D C Hateley
B M Hateley
S J F Hateley
M L Pearson
K M Watson
J K George (Appointed 1 May 2021)

Secretary D C Hateley

Company number 02315632

Registered office Brailsford Way
Chilwell Meadows Business Park
Beeston
Nottingham
NG9 6DH

Auditor UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

LASERSHAPE LIMITED

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LASERSHAPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

In what has been a difficult trading year, impacted by Covid and Brexit, the Directors see a substantial turnaround in performance. Despite a disappointing last quarter, substantially impacted by the price of raw material doubling and supply issues, a near breakeven over the year keeps the business on track to achieve the five-year plan set out during the period.

Across the year revenues grew by 13%, this is slightly skewed by the substantial increases in raw material prices from January 2021 accounting for 8% of this increase.

More importantly there has been a restructure and refocusing within the business which is starting to show results, and the directors remain confident that the company is on track to achieve the growth and development in line with expectations.

A new integrated computer system, written in-house, is now fully functioning, an enhanced quality management system has significantly improved our efficiencies and performance, integration of our sales, estimation and engineering functions have reduced costs but substantially improved service levels, and a continuous improvement program throughout the business started in January 2021 and is already providing cost benefits and improved outputs.

The Directors look forward to reporting continued improvement over the coming year.

Principal risks and uncertainties

The uncertainties surrounding the economic landscape because of the pandemic and Brexit are regularly reviewed by the directors. The supply chain shortages experienced in the second half of the year have eased, however prices for raw materials remain high but supply is returning to normal, the directors are closely monitoring this situation as earlier actions to increase stock levels to mitigate supply shortages will need to be reversed as the supply issues reduce.

Customer demand has returned after a drop in the last quarter due to uncertainties surrounding supply, but the market remains jittery.

Trading credit limits offered to customers and from suppliers have been affected by the price increases and are being closely monitored.

Key performance indicators

The key performance indicators relevant to the company's performance are:

	2021	2020
Gross margin percentage	21%	21%
Earnings before interest, tax and depreciation	£581,392	£686,658
Return on capital employed	4.3%	(18.1%)

LASERSHAPE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Financial risk management policies

Financial risks are reviewed regularly by the directors. All production machinery and equipment are sourced from and maintained by the most reputable suppliers to ensure reliability and efficiency. Credit terms with customers are closely monitored and stringently applied, and most of the customer debt is insured to minimise bad debt risk. The spread of revenue is over a large range of customers with no single customer exceeding 11.8% of total revenues. There is a very low proportion of revenue from exports hence foreign exchange has minimum risk.

The group looks forward to continued improvement over the coming year.

On behalf of the board

S J E Hateley
Director

23 November 2021

LASERSHAPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of providing laser cutting, water cutting and folded metal solutions.

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 final dividend.

Directors

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

D C Hateley

B M Hateley

S J E Hateley

M L Pearson

K M Watson

J K George

(Appointed 1 May 2021)

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

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

LASERSHAPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

S J E Hateley

Director

23 November 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LASERSHAPE LIMITED**

Opinion

We have audited the financial statements of Lasershape Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of income and retained earnings, the balance sheet 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 company's affairs as at 30 June 2021 and of its 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LASERSHAPE LIMITED

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.

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 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, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LASERSHAPE LIMITED

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 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.

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.

Based on our understanding of the Company and the industry in which it operates we assessed the risks of the Company acting contrary to complying with laws and regulations, including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the Financial Statements, such as the Companies Act 2006. We evaluated management's opportunities for fraudulent manipulation of the Financial Statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation;
- review of correspondence with legal advisors;
- enquiries of management;
- testing of journals; and
- evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF LASERSHAPE LIMITED

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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 Simmonds (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

23 November 2021

Chartered Accountants
Statutory Auditor

LASERSHAPE LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 £	2020 £
Turnover	3	12,066,133	10,716,158
Cost of sales		(9,491,634)	(8,096,378)
Gross profit		<u>2,574,499</u>	<u>2,619,780</u>
Administrative expenses		(2,568,648)	(2,847,645)
Other operating income		137,835	118,938
Operating profit/(loss)	5	<u>143,686</u>	<u>(108,927)</u>
Interest receivable and similar income	8	16	-
Interest payable and similar expenses	9	(131,642)	(128,131)
Amounts written off investments	10	-	(481,975)
Exceptional item	4	(56,857)	(460,152)
Loss before taxation		<u>(44,797)</u>	<u>(1,179,185)</u>
Tax on loss	11	76,278	77,878
Profit/(loss) for the financial year		<u>31,481</u>	<u>(1,101,307)</u>
Retained earnings brought forward		<u>1,886,386</u>	<u>2,987,693</u>
Retained earnings carried forward		<u><u>1,917,867</u></u>	<u><u>1,886,386</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LASERSHAPE LIMITED**BALANCE SHEET****AS AT 30 JUNE 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		1,709,977		1,882,110
Current assets					
Stocks	13	935,943		476,817	
Debtors	14	4,741,379		4,256,098	
Cash at bank and in hand		61,531		205,769	
		<u>5,738,853</u>		<u>4,938,684</u>	
Creditors: amounts falling due within one year	15	<u>(4,160,858)</u>		<u>(3,861,615)</u>	
Net current assets			<u>1,577,995</u>		<u>1,077,069</u>
Total assets less current liabilities			<u>3,287,972</u>		<u>2,959,179</u>
Creditors: amounts falling due after more than one year	16		<u>(1,365,005)</u>		<u>(1,067,693)</u>
Net assets			<u>1,922,967</u>		<u>1,891,486</u>
Capital and reserves					
Called up share capital	22		3,400		3,400
Capital redemption reserve	23		1,700		1,700
Profit and loss reserves	23		1,917,867		1,886,386
Total equity			<u>1,922,967</u>		<u>1,891,486</u>

The financial statements were approved by the board of directors and authorised for issue on 23 November 2021 and are signed on its behalf by:

S J E Hateley
Director

Company Registration No. 02315632

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Lasershape Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brailsford Way, Chilwell Meadows Business Park, Beeston, Nottingham, NG9 6DH.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Friar 146 Limited. These consolidated financial statements are available from Companies House.

1.2 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.

1.3 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.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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.

1.4 Tangible fixed assets

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:

Leaschold land and buildings	Straight line over the life of the lease
Plant and equipment	10 - 25% straight line per annum
Fixtures and fittings	15 - 40% reducing balance per annum

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.6 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 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.

1.7 Cash at bank and in hand

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.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

1.9 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 profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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 profit and loss account, 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 when the company has 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.

1.10 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.

1.11 Retirement benefits

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

1.12 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 balance sheet 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 leases asset are consumed.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

1.13 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.

1.14 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods	11,496,531	10,187,496
Machine rental	-	168,998
Sale of scrap metal	569,602	359,664
	<u>12,066,133</u>	<u>10,716,158</u>

LASERSHAPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021**

3 Turnover and other revenue	(Continued)	
	2021	2020
	£	£
Other significant revenue		
Grants received	137,835	118,938
	<u>137,835</u>	<u>118,938</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
UK	11,844,790	10,547,160
Rest of the world	221,343	168,998
	<u>12,066,133</u>	<u>10,716,158</u>
4 Exceptional item	2021	2020
	£	£
Bad debt on machine rental	-	119,227
Adjustment to plant and machinery's residual value	-	130,203
Adjustment for unsaleable stock	-	148,590
Adjustment for irrecoverable accrued income	-	114,944
Loss/(profit) on disposal of fixed assets	56,857	(52,812)
	<u>56,857</u>	<u>460,152</u>
5 Operating profit/(loss)	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(1,749)	(62)
Government grants	(137,835)	(118,938)
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	13,125
Depreciation of owned tangible fixed assets	256,512	441,807
Depreciation of tangible fixed assets held under finance leases	181,194	353,778
Operating lease charges	373,313	342,804
	<u>373,313</u>	<u>342,804</u>

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Employees

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

	2021	2020
	Number	Number
Production, engineering and despatch	88	83
Admin	14	22
Sales	14	14
	<hr/>	<hr/>
Total	116	119
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,944,564	2,988,004
Social security costs	258,549	257,789
Pension costs	38,355	52,715
	<hr/>	<hr/>
	3,241,468	3,298,508
	<hr/> <hr/>	<hr/> <hr/>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	175,123	155,245
Company pension contributions to defined contribution schemes	2,848	2,020
	<hr/>	<hr/>
	177,971	157,265
	<hr/> <hr/>	<hr/> <hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 2).

The directors are considered to be the key management personnel of the company.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	16	-
	<u>16</u>	<u>-</u>

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	647	-
Interest on invoice finance arrangements	20,112	39,202
Interest on finance leases and hire purchase contracts	110,883	88,929
	<u>131,642</u>	<u>128,131</u>

10 Amounts written off investments

	2021	2020
	£	£
Amounts written back to/(written off) current loans	-	(481,975)
	<u>-</u>	<u>(481,975)</u>

11 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(76,278)	(77,878)
	<u>(76,278)</u>	<u>(77,878)</u>

LASERSHAPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****11 Taxation****(Continued)**

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

	2021 £	2020 £
Loss before taxation	(44,797)	(1,179,185)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(8,511)	(224,045)
Tax effect of expenses that are not deductible in determining taxable profit	586	193
Change in unrecognised deferred tax assets	(47,236)	17,276
Effect of change in corporation tax rate	(25,342)	5,713
Depreciation on assets not qualifying for tax allowances	4,225	-
Other permanent differences	-	91,575
Deferred tax adjustments in respect of prior years	-	31,410
Taxation credit for the year	(76,278)	(77,878)

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Tangible fixed assets

	Leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2020	544,424	4,182,324	508,168	5,234,916
Additions	-	527,430	-	527,430
Disposals	(475,838)	(558,910)	(103,154)	(1,137,902)
At 30 June 2021	68,586	4,150,844	405,014	4,624,444
Depreciation and impairment				
At 1 July 2020	494,295	2,457,320	401,191	3,352,806
Depreciation charged in the year	6,958	391,942	38,806	437,706
Eliminated in respect of disposals	(475,838)	(297,053)	(103,154)	(876,045)
At 30 June 2021	25,415	2,552,209	336,843	2,914,467
Carrying amount				
At 30 June 2021	43,171	1,598,635	68,171	1,709,977
At 30 June 2020	50,129	1,725,004	106,977	1,882,110

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

	2021 £	2020 £
Plant and equipment	1,135,551	1,461,866
13 Stocks		
	2021 £	2020 £
Raw materials and consumables	571,700	309,489
Work in progress	364,243	167,328
	935,943	476,817

LASERSHAPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****14 Debtors**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	2,473,975	2,252,328
Amounts owed by group undertakings	1,874,709	1,702,856
Other debtors	997	142,392
Prepayments and accrued income	286,106	129,208
	<u>4,635,787</u>	<u>4,226,784</u>
Deferred tax asset (note 19)	105,592	29,314
	<u>4,741,379</u>	<u>4,256,098</u>

Included within trade debtors are balances totalling £1,992,719 (2020 - £1,672,091) which are subject to invoice discounting arrangements. The trade debtor balances have been transferred to the counterparty, though the transaction does not qualify for derecognition the basis that the late payment / risk reward is retained by the company. The associated liability recognised in creditors amounts to £1,004,535 (2020 - £748,326).

15 Creditors: amounts falling due within one year

	2021	2020
	£	£
	Notes	
Bank loans and overdrafts	17	1,094,813
Obligations under finance leases	18	275,163
Other borrowings	17	41,012
Trade creditors		2,228,820
Amounts owed to group undertakings		171,853
Taxation and social security		301,919
Other creditors		19,873
Accruals and deferred income		27,405
		<u>4,160,858</u>
		<u>3,861,615</u>

The bank overdraft facility is secured by a fixed and floating charge over the assets of the company.

The obligations under finance leases are secured upon the assets to which they relate.

LASERSHAPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****16 Creditors: amounts falling due after more than one year**

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	159,722	243,056
Obligations under finance leases	18	896,295	669,897
Other borrowings	17	308,988	-
Other creditors		-	117,769
Deferred income		-	36,971
		<u>1,365,005</u>	<u>1,067,693</u>

The obligations under finance leases are secured upon the assets to which they relate.

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	250,000	250,000
Bank overdrafts	1,004,535	748,738
Other loans	350,000	-
	<u>1,604,535</u>	<u>998,738</u>
Payable within one year	1,135,825	755,682
Payable after one year	468,710	243,056

The bank loan is based on a floating interest rate of no less than 3.75% per annum and is due for repayment by May 2024 and is payable in monthly instalments.

Other loans are payable in monthly instalments with an interest rate of 10.10% per annum and are due for repayment in September 2025 and January 2026.

LASERSHAPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****18 Finance lease obligations**

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	379,713	279,333
In two to five years	1,055,205	911,147
	<u>1,434,918</u>	<u>1,190,480</u>
Less: future finance charges	(263,460)	(206,112)
	<u><u>1,171,458</u></u>	<u><u>984,368</u></u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets	Assets
	2021	2020
	£	£
Balances:		
Accelerated capital allowances	(204,427)	(18,741)
Tax losses	308,916	46,236
Short-term timing differences	1,103	1,819
	<u>105,592</u>	<u>29,314</u>
	<u><u>105,592</u></u>	<u><u>29,314</u></u>
Movements in the year:		2021
		£
Asset at 1 July 2020		(29,314)
Credit to profit or loss		(76,278)
		<u>(105,592)</u>
Asset at 30 June 2021		<u><u>(105,592)</u></u>

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Deferred grants

Subject to meeting the monitoring arrangements on a quarterly basis until 31 March 2022, the company has met the terms of the grant claim at the balance sheet date.

21 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	38,355	52,715
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date, pension contributions of £11,261 (2020 - £13,202) were due from the company.

22 Share capital

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	3,400	3,400	3,400	3,400
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss reserve

This reserve records retained earnings and accumulated losses.

LASERSHAPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

24 Operating lease commitments

Lessee

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

	2021	2020
	£	£
Within one year	644,635	644,762
Between two and five years	1,578,522	1,967,625
In over five years	139,665	384,956
	<u>2,362,822</u>	<u>2,997,343</u>

25 Directors' transactions

Interest free loans have been granted by the directors to/(from) the company as follows:

Description	% Rate	Opening balance £	Amount repaid £	Closing balance £
Loan to the company	-	183,298	(174,999)	8,299
		<u>183,298</u>	<u>(174,999)</u>	<u>8,299</u>

26 Ultimate controlling party

The company's immediate parent company is C R 4 Limited by virtue of its 100% shareholding in the company.

The ultimate parent company is Friar 146 Limited, a company registered in England, by virtue of their 100% shareholding of the immediate parent company. The group financial statements are available from Companies House.

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