

Company Registration No. 01110305 (England and Wales)

LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019



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

Directors	L D Marshall A Dodge C Curzon
Secretary	P Yallop
Company number	01110305
Registered office	Woodston Point Shrewsbury Avenue Peterborough Cambridgeshire PE2 7LB
Auditor	Baldwins Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP
Business address	Woodston Point Shrewsbury Avenue Peterborough Cambridgeshire PE2 7LB
Bankers	HSBC Bank plc Cathedral Square Peterborough Cambridgeshire PE1 1XL

LAWRENCE DAVID LIMITED AND ITS GROUP UNDERTAKINGS CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Income statement	8
Group statement of comprehensive income	9
Group statement of financial position	10
Company statement of financial position	11 - 12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 36

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The directors present the strategic report for the Period ended 31 December 2019.

Fair review of the business

The results for the period reflect the trend following on from the early part of 2019. These are below where the business can be with improvement anticipated as favorable economic conditions return post the Covid-19 disruption.

Principal risks and uncertainties

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.

With the integration into the Wielton Group the financial period was shortened to end on 31 December. 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.

Business Environment

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

The group's management endeavor to mitigate these risks by implementing regular strategic management and supervisory board reviews covering all aspects of risk the business is exposed to.

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 not routinely use financial instruments 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.

On behalf of the board



.....
A Dodge

Director

22/6/20
.....

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

FOR THE PERIOD ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the Period ended 31 December 2019.

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.

Directors

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

L D Marshall
A Dodge
J Todd
C Curzon

(Resigned 31 July 2019)

Results and dividends

The results for the Period are set out on page 8.

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

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.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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, the directors will discuss the appointment of the group's auditors at the General Meeting.

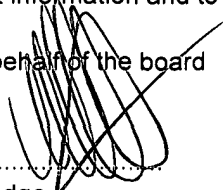
**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
DIRECTORS' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 DECEMBER 2019

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

Date: 22/6/20

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 financial statements;
- prepare the financial statements 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 Period ended 31 December 2019 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the Period 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

A worldwide pandemic has been declared of the virus COVID-19. The pandemic has resulted in many restrictions being imposed across the world on both movement of people and goods. Consequently, because not all future events or conditions can be predicted there is no guarantee as to the company's ability to continue as a going concern. The future is not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

Other information

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

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

We have nothing to report in this regard.

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 Period 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other information - The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the appropriateness of the going concern basis of preparation. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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 Baldwins Audit Services**

25/6/20

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

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

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	Period ended 31 December 2019 £	Period ended 30 June 2019 £
Turnover	3	37,511,661	87,062,188
Cost of sales		(33,325,850)	(76,595,862)
Gross profit		4,185,811	10,466,326
Administrative expenses		(4,268,504)	(9,639,726)
Other operating income		121,787	88,658
Operating profit	4	39,094	915,258
Interest receivable and similar income	8	8	28,695
Interest payable and similar expenses	9	(31,956)	(88,692)
Profit before taxation		7,146	855,261
Tax on profit	10	105,314	(182,239)
Profit for the financial Period		112,460	673,022

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 PERIOD ENDED 31 DECEMBER 2019**

	Period ended 31 December 2019 £	Period ended 30 June 2019 £
Profit for the Period	112,460	673,022
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>112,460</u>	<u>673,022</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	December 2019		June 2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		8,719,871		8,831,518
Current assets					
Stocks	15	10,107,494		8,929,501	
Debtors	16	8,071,428		8,500,797	
Cash at bank and in hand		3,679,026		5,711,206	
			<u>21,857,948</u>		<u>23,141,504</u>
Creditors: amounts falling due within one year	17	<u>(18,895,455)</u>		<u>(20,286,234)</u>	
Net current assets			<u>2,962,493</u>		<u>2,855,270</u>
Total assets less current liabilities			<u>11,682,364</u>		<u>11,686,788</u>
Creditors: amounts falling due after more than one year	18		(1,165,702)		(1,312,912)
Provisions for liabilities	20		<u>(262,737)</u>		<u>(232,411)</u>
Net assets			<u><u>10,253,925</u></u>		<u><u>10,141,465</u></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			9,450,107		9,337,647
Total equity			<u><u>10,253,925</u></u>		<u><u>10,141,465</u></u>

The financial statements were approved by the board of directors and authorised for issue on 22/6/20 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 2019**


	Notes	December 2019		June 2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		8,231,112		8,320,434
Investments	12		5,770,229		6,020,500
			<u>14,001,341</u>		<u>14,340,934</u>
Current assets					
Stocks	15	9,387,833		8,063,042	
Debtors	16	7,970,793		7,948,311	
Cash at bank and in hand		3,409,566		5,671,449	
			<u>20,768,192</u>		<u>21,682,802</u>
Creditors: amounts falling due within one year	17	(23,085,119)		(24,305,638)	
Net current liabilities			<u>(2,316,927)</u>		<u>(2,622,836)</u>
Total assets less current liabilities			<u>11,684,414</u>		<u>11,718,098</u>
Creditors: amounts falling due after more than one year	18		(1,165,702)		(1,312,912)
Provisions for liabilities	20		<u>(263,941)</u>		<u>(233,615)</u>
Net assets			<u><u>10,254,771</u></u>		<u><u>10,171,571</u></u>
Capital and reserves					
Called up share capital	22		13,400		13,400
Share premium account			693		693
Revaluation reserve			6,257,263		6,507,534
Capital redemption reserve			240		240
Profit and loss reserves			3,983,175		3,649,704
Total equity			<u><u>10,254,771</u></u>		<u><u>10,171,571</u></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 £333,471 (2019 - £4,695 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019**

The financial statements were approved by the board of directors and authorised for issue on 22/6/20
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 PERIOD ENDED 31 DECEMBER 2019**

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2018	13,400	693	789,485	240	8,664,625	9,468,443
Period ended 30 June 2019: Profit and total comprehensive income for the period	-	-	-	-	673,022	673,022
Balance at 30 June 2019	13,400	693	789,485	240	9,337,647	10,141,465
Period ended 31 December 2019: Profit and total comprehensive income for the period	-	-	-	-	112,460	112,460
Balance at 31 December 2019	13,400	693	789,485	240	9,450,107	10,253,925

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2018	13,400	693	5,469,313	240	3,654,399	9,138,045
Period ended 30 June 2019:						
Loss for the period	-	-	-	-	(4,695)	(4,695)
Other comprehensive income:						
Revaluation of fixed asset investment	-	-	1,038,221	-	-	1,038,221
Total comprehensive income for the period	-	-	1,038,221	-	(4,695)	1,033,526
Balance at 30 June 2019	13,400	693	6,507,534	240	3,649,704	10,171,571
Period ended 31 December 2019:						
Profit for the period	-	-	-	-	333,471	333,471
Other comprehensive income:						
Revaluation of fixed asset investment	-	-	(250,271)	-	-	(250,271)
Total comprehensive income for the period	-	-	(250,271)	-	333,471	83,200
Balance at 31 December 2019	13,400	693	6,257,263	240	3,983,175	10,254,771

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
GROUP STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Notes	December 2019		June 2019	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(1,589,134)		4,151,910
Interest paid			(31,956)		(88,692)
Income taxes (paid)/refunded			-		330,572
Net cash (outflow)/inflow from operating activities			(1,621,090)		4,393,790
Investing activities					
Purchase of tangible fixed assets		(344,103)		(1,505,265)	
Proceeds on disposal of tangible fixed assets		99,076		145,514	
Interest received		8		28,695	
Net cash used in investing activities			(245,019)		(1,331,056)
Financing activities					
Repayment of borrowings		-		(21,579)	
Payment of finance leases obligations		(166,071)		(120,187)	
Net cash used in financing activities			(166,071)		(141,766)
Net (decrease)/increase in cash and cash equivalents			(2,032,180)		2,920,968
Cash and cash equivalents at beginning of Period			5,711,206		2,790,238
Cash and cash equivalents at end of Period			3,679,026		5,711,206

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Notes	December 2019		June 2019	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(1,809,841)		4,468,469
Interest paid			(31,956)		(81,416)
Income taxes (paid)/refunded			-		412,063
Net cash (outflow)/inflow from operating activities			(1,841,797)		4,799,116
Investing activities					
Purchase of tangible fixed assets		(324,024)		(1,457,643)	
Proceeds on disposal of tangible fixed assets		70,001		145,514	
Interest received		8		28,695	
Net cash used in investing activities			(254,015)		(1,283,434)
Financing activities					
Repayment of borrowings		-		(21,579)	
Payment of finance leases obligations		(166,071)		(120,187)	
Net cash used in financing activities			(166,071)		(141,766)
Net (decrease)/increase in cash and cash equivalents			(2,261,883)		3,373,916
Cash and cash equivalents at beginning of Period			5,671,449		2,297,533
Cash and cash equivalents at end of Period			3,409,566		5,671,449

LAWRENCE DAVID LIMITED AND ITS GROUP UNDERTAKINGS NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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, Cambridgeshire, 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 Basis of consolidation

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.

The consolidated financial statements incorporate those of Lawrence David Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. 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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1 Accounting policies (Continued)

1.3 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.

1.4 Reporting period

The financial statements for the period to 31 December 2019 cover a period of 6 months as the company moves to bring its reporting deadlines in line with those of the ultimate parent company. As a result of this the comparative amounts presented in the financial statements (including related notes) are not entirely comparable as they relate to a 13 month period to 30 June 2019.

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
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.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1 Accounting policies

(Continued)

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.

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 replacement cost and cost, adjusted where applicable for any loss of service potential.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1 Accounting policies

(Continued)

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.

1.11 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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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.

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:

	December 2019 £	June 2019 £
Turnover analysed by class of business		
Manufacture of specialised commercial vehicle bodies and structures	37,471,177	86,625,163
General engineering, manufacture and fabrication of assemblies, sub assemblies and products	40,484	437,025
	<u>37,511,661</u>	<u>87,062,188</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

3 Turnover and other revenue	(Continued)	
	December 2019	June 2019
	£	£
Other significant revenue		
Interest income	8	28,695
Management fees receivable	85,787	87,142
Grants	36,000	-
	<u> </u>	<u> </u>
 4 Operating profit	 December 2019	 June 2019
	£	£
Operating profit for the period is stated after charging/(crediting):		
Research and development costs	19,345	54,882
Depreciation of owned tangible fixed assets	279,802	547,189
Depreciation of tangible fixed assets held under finance leases	96,639	83,635
Profit on disposal of tangible fixed assets	(19,767)	(18,061)
Operating lease charges	521,046	991,586
	<u> </u>	<u> </u>
 5 Auditor's remuneration	 December 2019	 June 2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	6,500	6,500
Audit of the financial statements of the company's subsidiaries	2,825	5,700
	<u> </u>	<u> </u>
	9,325	12,200
	<u> </u>	<u> </u>
For other services		
Other assurance services	2,000	33,300
Taxation compliance services	1,000	13,250
	<u> </u>	<u> </u>
	3,000	46,550
	<u> </u>	<u> </u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6 Employees

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

	Group Dec 2019 Number	June 2019 Number	Company Dec 2019 Number	June 2019 Number
Management	4	4	4	4
Administration	22	21	21	20
Production and sales staff	258	248	224	216
	<u>284</u>	<u>273</u>	<u>249</u>	<u>240</u>

Their aggregate remuneration comprised:

	Group Dec 2019 £	June 2019 £	Company Dec 2019 £	June 2019 £
Wages and salaries	4,627,380	10,511,032	4,173,153	9,348,667
Social security costs	469,647	993,076	422,937	865,913
Pension costs	104,709	213,876	104,709	213,876
	<u>5,201,736</u>	<u>11,717,984</u>	<u>4,700,799</u>	<u>10,428,456</u>

7 Directors' remuneration

	December 2019 £	June 2019 £
Remuneration for qualifying services	450,826	814,315
Company pension contributions to defined contribution schemes	658	27,300
	<u>451,484</u>	<u>841,615</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	December 2019 £	June 2019 £
Remuneration for qualifying services	<u>202,500</u>	<u>333,358</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

8 Interest receivable and similar income	December 2019	June 2019
	£	£
Interest income		
Interest on bank deposits	8	18
Other interest income	-	28,677
	<u>8</u>	<u>28,695</u>
Total income	<u><u>8</u></u>	<u><u>28,695</u></u>
9 Interest payable and similar expenses	December 2019	June 2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	621	57,674
Other finance costs:		
Interest on finance leases and hire purchase contracts	31,335	31,018
	<u>31,956</u>	<u>88,692</u>
Total finance costs	<u><u>31,956</u></u>	<u><u>88,692</u></u>
10 Taxation	December 2019	June 2019
	£	£
Current tax		
Adjustments in respect of prior periods	(135,640)	23,917
	<u>(135,640)</u>	<u>23,917</u>
Deferred tax		
Origination and reversal of timing differences	30,326	158,322
	<u>30,326</u>	<u>158,322</u>
Total tax (credit)/charge	<u><u>(105,314)</u></u>	<u><u>182,239</u></u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

10 Taxation

(Continued)

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

	December 2019	June 2019
	£	£
Profit before taxation	7,146	855,261
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,358	162,500
Tax effect of expenses that are not deductible in determining taxable profit	1,930	15,246
Gains not taxable	(3,756)	(3,431)
Tax effect of utilisation of tax losses not previously recognised	45,132	-
Unutilised tax losses carried forward	12,819	-
Adjustments in respect of prior years	(136,486)	23,917
Group relief	-	(40,770)
Permanent capital allowances in excess of depreciation	(53,433)	(141,849)
Under/(over) provided in prior years	846	-
Pension adjustments	(4,050)	8,304
Deferred tax movements	30,326	158,322
Taxation (credit)/charge	<u>(105,314)</u>	<u>182,239</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

11 Tangible fixed assets

Group	Land and buildings Freehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 July 2019	4,271,510	35,370	5,987,264	1,236,323	969,108	524,612	13,024,187
Additions	-	-	314,995	4,836	24,272	-	344,103
Disposals	-	-	(376,314)	-	-	(90,000)	(466,314)
Transfers	-	(35,370)	35,370	-	-	-	-
At 31 December 2019	4,271,510	-	5,961,315	1,241,159	993,380	434,612	12,901,976
Depreciation and impairment							
At 1 July 2019	-	-	2,648,518	737,405	573,466	233,280	4,192,669
Depreciation charged in the Period	-	-	240,794	53,863	38,911	42,873	376,441
Eliminated in respect of disposals	-	-	(358,435)	-	-	(28,570)	(387,005)
At 31 December 2019	-	-	2,530,877	791,268	612,377	247,583	4,182,105
Carrying amount							
At 31 December 2019	4,271,510	-	3,430,438	449,891	381,003	187,029	8,719,871
At 30 June 2019	4,271,510	35,370	3,338,746	498,918	395,642	291,332	8,831,518

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 July 2019	3,206,710	702,400	35,370	4,927,561	1,071,271	943,468	524,612	11,411,392
Additions	-	-	-	294,916	4,836	24,272	-	324,024
Disposals	-	-	-	-	-	-	(90,000)	(90,000)
Transfers	-	-	(35,370)	35,370	-	-	-	-
At 31 December 2019	3,206,710	702,400	-	5,257,847	1,076,107	967,740	434,612	11,645,416
Depreciation and impairment								
At 1 July 2019	-	-	-	1,675,690	626,872	555,116	233,280	3,090,958
Depreciation charged in the Period	-	-	-	224,198	47,328	37,517	42,873	351,916
Eliminated in respect of disposals	-	-	-	-	-	-	(28,570)	(28,570)
At 31 December 2019	-	-	-	1,899,888	674,200	592,633	247,583	3,414,304
Carrying amount								
At 31 December 2019	3,206,710	702,400	-	3,357,959	401,907	375,107	187,029	8,231,112
At 30 June 2019	3,206,710	702,400	35,370	3,251,871	444,399	388,352	291,332	8,320,434

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 2019 £	2019 £	Company 2019 £	2019 £
Plant and machinery	1,806,294	1,914,972	1,806,294	1,914,972
Depreciation charge for the Period in respect of leased assets	96,639	83,635	96,639	83,635

12 Fixed asset investments

	Group 2019 £	2019 £	Company 2019 £	2019 £
Investments in subsidiaries	-	-	5,770,229	6,020,500

**Movements in fixed asset investments
Company**

	Shares in group undertakings £
Cost or valuation	
At 1 July 2019	6,020,500
Valuation changes	(250,271)
At 31 December 2019	5,770,229
Carrying amount	
At 31 December 2019	5,770,229
At 30 June 2019	6,020,500

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 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 FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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	(221,011)	5,769,383

14 Financial instruments

	Group Dec 2019 £	June 2019 £	Company Dec 2019 £	June 2019 £
Carrying amount of financial assets				
Trade debtors	6,684,123	7,200,051	6,671,181	6,956,904
Other debtors	56,454	280,973	3,353	-
Cash at bank and in hand	3,679,026	5,711,206	3,409,566	5,671,449
	<u>10,419,603</u>	<u>13,192,230</u>	<u>10,084,100</u>	<u>12,628,353</u>
Carrying amount of financial liabilities				
Obligations under finance leases	1,422,133	1,588,204	1,422,133	1,588,204
Trade creditors	8,003,468	15,935,618	7,330,893	15,252,117
Amounts due to group undertakings	7,300,322	681,480	12,232,798	5,550,036
Accruals and deferred income	1,138,688	1,510,463	1,069,297	1,374,391
	<u>17,864,611</u>	<u>19,715,765</u>	<u>22,055,121</u>	<u>23,764,748</u>

15 Stocks

	Group Dec 2019 £	June 2019 £	Company Dec 2019 £	June 2019 £
Raw materials and consumables	8,755,063	7,919,207	8,264,166	7,183,006
Work in progress	1,352,431	1,010,294	1,123,667	880,036
	<u>10,107,494</u>	<u>8,929,501</u>	<u>9,387,833</u>	<u>8,063,042</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

16 Debtors		Group		Company	
		Dec 2019	June 2019	Dec 2019	June 2019
		£	£	£	£
Amounts falling due within one year:					
Trade debtors		6,684,123	7,200,051	6,671,181	6,956,904
Corporation tax recoverable		316,486	180,000	316,486	180,000
Other debtors		56,454	280,973	3,353	-
Prepayments and accrued income		1,014,365	839,773	979,773	811,407
		<u>8,071,428</u>	<u>8,500,797</u>	<u>7,970,793</u>	<u>7,948,311</u>
17 Creditors: amounts falling due within one year					
		Group		Company	
		Dec 2019	June 2019	Dec 2019	June 2019
		£	£	£	£
		Notes			
Obligations under finance leases	19	256,431	275,292	256,431	275,292
Trade creditors		8,003,468	15,935,618	7,330,893	15,252,117
Amounts owed to group undertakings		7,300,322	681,480	12,232,798	5,550,036
Corporation tax payable		846	-	-	-
Other taxation and social security		2,191,895	1,757,830	2,191,895	1,756,990
Other creditors		3,805	125,551	3,805	96,812
Accruals and deferred income		1,138,688	1,510,463	1,069,297	1,374,391
		<u>18,895,455</u>	<u>20,286,234</u>	<u>23,085,119</u>	<u>24,305,638</u>
18 Creditors: amounts falling due after more than one year					
		Group		Company	
		Dec 2019	June 2019	Dec 2019	June 2019
		£	£	£	£
		Notes			
Obligations under finance leases	19	1,165,702	1,312,912	1,165,702	1,312,912
		<u>1,165,702</u>	<u>1,312,912</u>	<u>1,165,702</u>	<u>1,312,912</u>
19 Finance lease obligations					
		Group		Company	
		Dec 2019	June 2019	Dec 2019	June 2019
		£	£	£	£
Future minimum lease payments due under finance leases:					
Within one year		256,431	275,292	256,431	275,292
In two to five years		1,139,759	1,133,538	1,139,759	1,133,538
In over five years		25,943	179,374	25,943	179,374
		<u>1,422,133</u>	<u>1,588,204</u>	<u>1,422,133</u>	<u>1,588,204</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

19 Finance lease obligations

(Continued)

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:

	Liabilities December 2019 £	Liabilities June 2019 £
Group		
Accelerated capital allowances	262,737	232,411
	<u>262,737</u>	<u>232,411</u>
	Liabilities December 2019 £	Liabilities June 2019 £
Company		
Accelerated capital allowances	263,941	233,615
	<u>263,941</u>	<u>233,615</u>
	Group Dec 2019 £	Company Dec 2019 £
Movements in the Period:		
Liability at 1 July 2019	232,411	233,615
Charge to profit or loss	30,326	30,326
	<u>262,737</u>	<u>263,941</u>
Liability at 31 December 2019	262,737	263,941
	<u>262,737</u>	<u>263,941</u>

There were no material deferred tax movements in the Period.

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

	December 2019 £	June 2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	104,709	213,876
	<u>104,709</u>	<u>213,876</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

21 Retirement benefit schemes

(Continued)

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

	Group and company	
	December 2019	June 2019
	£	£
Ordinary share capital		
Issued and fully paid		
13,400 Ordinary shares of £1 each	13,400	13,400
	<u>13,400</u>	<u>13,400</u>

On the 1st October 2018 the preference shares were re-designated into ordinary shares of £1 each by way of a special resolution. The rights attached to which were set out in the new articles of association adopted pursuant to the special resolution.

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	
	Dec 2019	June 2019	Dec 2019	June 2019
	£	£	£	£
Within one year	1,012,866	1,078,887	998,647	1,045,710
Between two and five years	3,264,887	3,224,995	3,264,887	3,224,995
In over five years	86,144	200,000	86,144	200,000
	<u>4,363,897</u>	<u>4,503,882</u>	<u>4,349,678</u>	<u>4,470,705</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	December 2019	June 2019
	£	£
Aggregate compensation	510,067	896,986
	<u>510,067</u>	<u>896,986</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

24 Related party transactions

(Continued)

The company occupies property at Morley Way, Peterborough owned by its subsidiary Roscope Limited. The company uses the property in connection with its business and occupies it rent-free.

Roscope Limited pays property rentals of £28,438 (June 2019 - £55,635) 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 2019 Roscope Limited owes £17,062 (June 2019 - £21,022) to the LDM pension fund.

During the period Roscope Limited received £10,154 (June 2019 - £33,885) from Fleet Serv which is the trading division of Lawrence David Holdings Limited in respect of goods provided. Lawrence David Holdings Limited is a company in which a director has a material interest. At 31 December 2019 Fleet Serv owed £2,652 (June 2019 - £19,609) to Roscope Limited.

During the period Lawrence David Limited received £390,000 (June 2019 - £68,787) 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 purchase of £303,207 (June 2019 - £429,175) from Lawrence David Holdings Limited. Lawrence David Holdings Limited is a company in which a director has a material interest. At 31 December 2019 Fleet Serv owed £145,381 (June 2019 - £52,504) to Lawrence David Limited.

During the period, the company was charged a property rental of £400,000 (2019 - £866,667) by HSO Properties Limited, a company in which a director of the company has a material interest. At 31 December 2019, the company was owed £nil (June 2019 - £nil) by HSO Properties Limited.

During the period Lawrence David Limited made purchases from Wielton S.A of £9,468,393 (June 2019 - £719,040) and made recharges to Wielton S.A of £87,454 (June 2019 - £37,560), the ultimate parent company. At 31 December 2019 the company owed £7,085,158 (June 2019 - £681,480) to Wielton S.A.

During the period Lawrence David Limited made purchases from Roscope Limited of £2,161,500 (June 2019 - £6,878,743) and made recharges to Roscope Limited of £225,586 (June 2019 - £99,254). At 31 December 2019 the company owed £4,932,476 (June 2019 - £4,896,056) to Roscope Limited.

During the period Lawrence David Limited made purchases from Wielton Logistic Spolka z o.o. of £7,449 (June 2019 - £nil), a fellow subsidiary within the Wielton S.A group. At 31 December 2019 the company owed £2,097 (June 2019 - £nil) to Wielton Logistic Spolka z o.o.

During the period Lawrence David Limited made purchases from Langendorf GmbH of £233,015 (June 2019 - £nil), a fellow subsidiary within the Wielton S.A group. At 31 December 2019 the company owed £213,067 (June 2019 - £nil) to Langendorf GmbH.

25 Directors' transactions

Dividends totalling £0 (2019 - £0) were paid in the Period in respect of shares held by the company's directors.

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

26 Cash (absorbed by)/generated from group operations	December 2019 £	June 2019 £
Profit for the Period after tax	112,460	673,022
Adjustments for:		
Taxation (credited)/charged	(105,314)	182,239
Finance costs	31,956	88,692
Investment income	(8)	(28,695)
Gain on disposal of tangible fixed assets	(19,767)	(18,061)
Depreciation and impairment of tangible fixed assets	376,441	630,824
Movements in working capital:		
Increase in stocks	(1,177,993)	(80,444)
Decrease in debtors	565,855	5,342,182
Decrease in creditors	(1,372,764)	(2,637,849)
Cash (absorbed by)/generated from operations	<u>(1,589,134)</u>	<u>4,151,910</u>
27 Cash (absorbed by)/generated from operations - company	December 2019 £	June 2019 £
Profit/(loss) for the Period after tax	333,471	(4,695)
Adjustments for:		
Taxation (credited)/charged	(106,160)	182,239
Finance costs	31,956	81,416
Investment income	(8)	(28,695)
Gain on disposal of tangible fixed assets	(8,571)	(19,045)
Depreciation and impairment of tangible fixed assets	351,916	583,091
Movements in working capital:		
(Increase)/decrease in stocks	(1,324,791)	296,008
Decrease in debtors	114,004	5,787,758
Decrease in creditors	(1,201,658)	(2,409,608)
Cash (absorbed by)/generated from operations	<u>(1,809,841)</u>	<u>4,468,469</u>

**LAWRENCE DAVID LIMITED
AND ITS GROUP UNDERTAKINGS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019**

28 Analysis of changes in net funds - group

	1 July 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	5,711,206	(2,032,180)	3,679,026
Obligations under finance leases	(1,588,204)	166,071	(1,422,133)
	<u>4,123,002</u>	<u>(1,866,109)</u>	<u>2,256,893</u>