

Company Registration No. 01166468 (England and Wales)

**L C AUTOMATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# L C AUTOMATION LIMITED

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# L C AUTOMATION LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		211,910		141,709
<b>Current assets</b>					
Stocks		1,082,605		1,056,260	
Debtors	4	2,905,101		2,512,523	
Cash at bank and in hand		54,798		16,264	
		<u>4,042,504</u>		<u>3,585,047</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(2,289,531)</u>		<u>(2,087,613)</u>	
<b>Net current assets</b>			1,752,973		1,497,434
<b>Total assets less current liabilities</b>			<u>1,964,883</u>		<u>1,639,143</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(49,220)		(3,695)
<b>Provisions for liabilities</b>	7		(16,224)		(14,825)
<b>Net assets</b>			<u>1,899,439</u>		<u>1,620,623</u>
<b>Capital and reserves</b>					
Called up share capital	9		4,957		4,957
Share premium account			134,737		134,737
Capital redemption reserve			3,485		3,485
Profit and loss reserves			1,756,260		1,477,444
<b>Total equity</b>			<u>1,899,439</u>		<u>1,620,623</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 17 June 2020 and are signed on its behalf by:

M Chadwick  
**Director**

**Company Registration No. 01166468**

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

L C Automation Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, Duttons Way, Shadsworth Business Park, Blackburn, Lancashire, BB1 2QR.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The company finances its operations by means of an invoice financing facility. The directors are not aware of any reason why the facility will not be maintained at its current level. As a result the directors have continued to adopt the going concern basis in preparing the financial statements.

Whilst the directors have adopted the going concern basis set out above, the impact of the worldwide Coronavirus pandemic, Covid-19, on all businesses represents an uncertainty and the true impact of this pandemic will only become apparent over time.

The directors have given due consideration to the impact of the pandemic on the company and consider that it will have adequate resources to manage that impact.

#### 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 and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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:

Leasehold land and buildings	Over term of the lease
Plant and machinery	10% - 25% straight line
Fixtures, fittings & equipment	10% and 25% straight line
Motor vehicles	25% straight line

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 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 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. 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.

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.

#### 1.6 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.

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.

#### 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.

#### 1.9 Equity instruments

Equity instruments issued by the company 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 company.

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 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.

##### *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.

#### 1.11 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.

#### 1.12 Retirement benefits

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

#### 1.13 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.

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

**1 Accounting policies** **(Continued)**

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.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 35 (2018 - 35).

**3 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	60,000	804,665	864,665
Additions	-	135,922	135,922
Disposals	-	(32,945)	(32,945)
	<u>60,000</u>	<u>907,642</u>	<u>967,642</u>
At 31 December 2019	60,000	907,642	967,642
<b>Depreciation and impairment</b>			
At 1 January 2019	60,000	662,956	722,956
Depreciation charged in the year	-	65,721	65,721
Eliminated in respect of disposals	-	(32,945)	(32,945)
	<u>60,000</u>	<u>695,732</u>	<u>755,732</u>
At 31 December 2019	60,000	695,732	755,732
<b>Carrying amount</b>			
At 31 December 2019	<u>-</u>	<u>211,910</u>	<u>211,910</u>
At 31 December 2018	<u>-</u>	<u>141,709</u>	<u>141,709</u>

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

	2019 £	2018 £
Motor vehicles	<u>77,425</u>	<u>37,218</u>
Depreciation charge for the year in respect of leased assets	<u>13,074</u>	<u>13,823</u>

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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4 Debtors	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	1,726,495	1,428,910
Other debtors	90,545	97,095
	<u>1,817,040</u>	<u>1,526,005</u>
<b>Amounts falling due after more than one year:</b>		
Amounts due from group undertakings	<u>1,088,061</u>	<u>986,518</u>
<b>Total debtors</b>	<u>2,905,101</u>	<u>2,512,523</u>

5 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	875,734	623,767
Taxation and social security	287,848	339,346
Other creditors	1,125,949	1,124,500
	<u>2,289,531</u>	<u>2,087,613</u>

The company is party to an unlimited inter-company guarantee dated 20 December 2010 in respect of bank borrowings of the company and its holding company, LC Automation Holdings Limited. At the balance sheet date there was a £nil (2018 - £nil) potential liability in respect of this guarantee.

The company's bankers also have in place a debenture over all assets of the company, dated 5 April 1982.

Other creditors includes an amount of £1,054,401 (2018 - £1,060,358) due to an invoice discounting company. This amount is secured on the book debts of the company.

The hire purchase liability is secured upon the assets to which it relates.

6 Creditors: amounts falling due after more than one year	2019	2018
Notes	£	£
Obligations under finance leases	<u>49,220</u>	<u>3,695</u>

# L C AUTOMATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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<b>7 Provisions for liabilities</b>		<b>2019</b>	<b>2018</b>
		£	£
Deferred tax liabilities	8	16,224	14,825
		<u>          </u>	<u>          </u>

### 8 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2019</b>	<b>2018</b>
	£	£
<b>Balances:</b>		
Accelerated capital allowances	16,224	14,825
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2019</b>
		£
Liability at 1 January 2019		14,825
Charge to profit or loss		1,399
		<u>          </u>
Liability at 31 December 2019		16,224
		<u>          </u>

The deferred tax liability set out above is expected to reverse over the economic life of the assets.

<b>9 Called up share capital</b>	<b>2019</b>	<b>2018</b>
	£	£
<b>Issued and fully paid</b>		
2,023 Ordinary shares of £1 each	2,023	2,023
2,934 Class A shares of £1 each	2,934	2,934
	<u>          </u>	<u>          </u>
	4,957	4,957
	<u>          </u>	<u>          </u>

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Jane Smith.  
The auditor was Pierce C A Limited.

**L C AUTOMATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11 Operating lease commitments**

**Lessee**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total outstanding commitments	739,794	741,869
	<u>739,794</u>	<u>741,869</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.