Company Registration No. SC190833 (Scotland)

L.H. STAINLESS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

PAGES FOR FILING WITH REGISTRAR

L.H. STAINLESS LIMITED

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L.H. STAINLESS LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	3		535,440		417,327
Current assets					
Stocks		630,133		577,543	
Debtors	4	687,974		776,145	
Cash at bank and in hand		206,430		575,566	
		1,524,537		1,929,254	
Creditors: amounts falling due within one year	5	(983,772)		(1,278,877)	
Net current assets			540,765		650,377
Total assets less current liabilities			1,076,205		1,067,704
Creditors: amounts falling due after more than one year	6		(47,557)		(46,898)
Provisions for liabilities					
Deferred tax liability		38,883		36,328	
			(38,883)		(36,328)
Net assets			989,765		984,478
Capital and reserves					
Called up share capital	7		46,900		46,900
Share premium account			395,100		395,100
Profit and loss reserves			547,765		542,478
Total equity			989,765		984,478

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

L.H. STAINLESS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2020

For the financial year ended 31 January 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 14 September 2020 and are signed on its behalf by:

Garry J Fraser
Director

Stuart G Fraser
Director

Company Registration No. SC190833

1 Accounting policies

Company information

L.H. Stainless Limited is a private company limited by shares incorporated in Scotland. The registered office is Towiemore, Drummuir, KEITH, AB55 5JA.

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 a mounts 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.

1.2 Turnover

Turnover represents amounts receivable from the manufacture and supply of stainless steel products and systems, net of VAT.

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.

Revenue from contracts for the manufacture and supply of products is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- 2% and 10% straight line
Plant and machinery	- 20% reducing balance
Fixtures, fittings & equipment	- 15% reducing balance
Motor vehicles	- 25% reducing balance

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 Accounting policies **(Continued)**

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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).

1.5 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 that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment.

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks .

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs. Basic financial assets are assessed for indicators of impairment at each financial reporting date with any resulting impairment recognised through profit or loss.

1 Accounting policies **(Continued)**

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price. 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. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

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

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.

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 is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1 Accounting policies **(Continued)**

1.12 Retirement benefits

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

1.13 Leases

Leases and hire purchase contracts are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees.

Assets held under finance leases are recognised as assets. 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 the profit and loss account 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.

1.14 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 36 (2019 - 36).

3 **Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 2019	188,085	891,847	1,079,932
Additions	128,520	85,914	214,434
Disposals	-	(51,327)	(51,327)
At 31 January 2020	316,605	926,434	1,243,039
Depreciation and impairment			
At 1 February 2019	30,046	632,559	662,605
Depreciation charged in the year	10,265	73,734	83,999
Eliminated in respect of disposals	-	(39,005)	(39,005)
At 31 January 2020	40,311	667,288	707,599
Carrying amount			
At 31 January 2020	276,294	259,146	535,440
At 31 January 2019	158,039	259,288	417,327

4 **Debtors**

Amounts falling due within one year:	2020 £	2019 £
Trade debtors	514,038	637,929
Amounts owed by group undertakings	129,873	22,033
Other debtors	44,063	116,183
	687,974	776,145

5 **Creditors: amounts falling due within one year**

	2020	2019
	£	£
Obligations under finance leases	47,152	51,654
Trade creditors	222,661	567,219
Amounts owed to group undertakings	14,788	12,379
Corporation tax	1,786	66,442
Other taxation and social security	131,084	47,456
Government grants	-	358
Other creditors	546,814	485,663
Accruals and deferred income	19,487	47,706
	983,772	1,278,877

Obligations under finance leases are secured by a fixed charge over the asset to which it relates.

6 **Creditors: amounts falling due after more than one year**

	2020	2019
	£	£
Obligations under finance leases	47,557	46,898

Obligations under finance leases are secured by a fixed charge over the asset to which it relates.

7 **Called up share capital**

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
46,900 Ordinary shares of £1 each	46,900	46,900

8 **Operating lease commitments**

Lessee

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

	2020	2019
	£	£
	320,000	360,000

The operating lease commitment disclosed above represents a property lease which expires in 2027.

9 **Related party transactions**

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts owed to related parties	**£**	**£**
Entities with control, joint control or significant influence over the company	14,788	12,379

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.