REGISTERED NUMBER: SC265321 (Scotland)

Financial Statements For The Year Ended 31 December 2020

for

Lareine Engineering Limited

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For The Year Ended 31 December 2020

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Lareine Engineering Limited

Company Information
For The Year Ended 31 December 2020

DIRECTORS:	T Green G A M Alexander T A Bates
SECRETARY:	C Buttar
REGISTERED OFFICE:	Unit 1 Armadale Industrial Estate Armadale Bathgate West Lothian EH48 2ND
REGISTERED NUMBER:	SC265321 (Scotland)
INDEPENDENT AUDITORS:	Robb Ferguson Chartered Accountants & Statutory Auditors Regent Court 70 West Regent Street Glasgow G2 2QZ

Lareine Engineering Limited (Registered number: SC265321)

Statement of Financial Position
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		**11,175**		17,293
Tangible assets	5		**656,749**		737,069
			667,924		754,362
CURRENT ASSETS					
Stocks		**88,045**		98,546	
Debtors	6	**2,675,518**		3,029,078	
Cash at bank and in hand		**640,690**		12,181	
		3,404,253		3,139,805	
CREDITORS					
Amounts falling due within one year	7	**2,028,337**		1,715,244	
NET CURRENT ASSETS			**1,375,916**		1,424,561
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,043,840**		2,178,923
CREDITORS					
Amounts falling due after more than one year	8		**(158,280)**		(189,112)
PROVISIONS FOR LIABILITIES			**(27,845)**		(35,269)
NET ASSETS			**1,857,715**		1,954,542
CAPITAL AND RESERVES					
Called up share capital			**1,000**		1,000
Share premium			**296,233**		296,233
Retained earnings			**1,560,482**		1,657,309
SHAREHOLDERS' FUNDS			**1,857,715**		1,954,542

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 18 June 2021 and were signed on its behalf by:

T Green - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Lareine Engineering Limited is a private company, limited by shares , registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

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 balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. 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.

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 they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of the individual project. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected to benefit. This period is 5 years. Provision is made for any impairment.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Heritable property	- 2% on cost
Plant & equipment	- 10% on cost
Fixtures & fittings	- 10% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 20% on cost

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss.

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2. ACCOUNTING POLICIES - continued

Government grants
Government grants relating to tangible fixed assets are treated as deferred income and released to Statement of Comprehensive Income over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Comprehensive Income as the related expenditure is incurred.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments
Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development
Expenditure on research and development is capitalised and amortised over the period of its useful life.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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2. **ACCOUNTING POLICIES - continued**

Loans and borrowings
Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Loans and borrowings that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 61 (2019 - 65) .

4. **INTANGIBLE FIXED ASSETS**

	Developmen costs £
COST	
At 1 January 2020 and 31 December 2020	**103,729**
AMORTISATION	
At 1 January 2020	**86,436**
Amortisation for year	**6,118**
At 31 December 2020	**92,554**
NET BOOK VALUE	
At 31 December 2020	**11,175**
At 31 December 2019	17,293

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5. **TANGIBLE FIXED ASSETS**

	Heritable property £	Plant & equipment £	Fixtures & fittings £
COST			
At 1 January 2020	**339,302**	**497,252**	**266,046**
Additions	**-**	**8,595**	**-**
Disposals	**-**	**-**	**-**
At 31 December 2020	**339,302**	**505,847**	**266,046**
DEPRECIATION			
At 1 January 2020	**6,221**	**301,982**	**123,241**
Charge for year	**6,786**	**28,423**	**20,905**
Eliminated on disposal	**-**	**-**	**-**
At 31 December 2020	**13,007**	**330,405**	**144,146**
NET BOOK VALUE			
At 31 December 2020	**326,295**	**175,442**	**121,900**
At 31 December 2019	333,081	195,270	142,805

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2020	**163,170**	**123,348**	**1,389,118**
Additions	**-**	**-**	**8,595**
Disposals	**(6,995)**	**-**	**(6,995)**
At 31 December 2020	**156,175**	**123,348**	**1,390,718**
DEPRECIATION			
At 1 January 2020	**126,189**	**94,416**	**652,049**
Charge for year	**15,180**	**17,621**	**88,915**
Eliminated on disposal	**(6,995)**	**-**	**(6,995)**
At 31 December 2020	**134,374**	**112,037**	**733,969**
NET BOOK VALUE			
At 31 December 2020	**21,801**	**11,311**	**656,749**
At 31 December 2019	36,981	28,932	737,069

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5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant & equipment £
COST	
At 1 January 2020	**173,264**
Transfer to ownership	**(41,308)**
At 31 December 2020	**131,956**
DEPRECIATION	
At 1 January 2020	**57,610**
Charge for year	**15,261**
Transfer to ownership	**(12,392)**
At 31 December 2020	**60,479**
NET BOOK VALUE	
At 31 December 2020	**71,477**
At 31 December 2019	115,654

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	**718,708**	241,409
Amounts recoverable on contracts	**1,800,472**	2,691,080
Tax	**7,364**	-
Prepayments and accrued income	**148,974**	96,589
	2,675,518	3,029,078

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts (see note 9)	**17,143**	85,895
Hire purchase contracts (see note 10)	**12,481**	30,639
Trade creditors	**531,302**	733,416
Tax	-	12,062
Social security and other taxes	**116,237**	72,813
VAT	**473,187**	139,013
Other creditors	**869,487**	632,906
Deferred government grants	**8,500**	8,500
	2,028,337	1,715,244

continued...

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 9)	**113,572**	123,750
Hire purchase contracts (see note 10)	**-**	12,154
Deferred government grants	**44,708**	53,208
	158,280	189,112

9. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**-**	70,895
Bank loans	**17,143**	15,000
	17,143	85,895
Amounts falling due between one and two years:		
Bank loans - 1-2 years	**17,143**	15,000
Amounts falling due between two and five years:		
Bank loans - 2-5 years	**96,429**	108,750

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	**12,481**	30,639
Between one and five years	**-**	12,154
	12,481	42,793

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	**141,028**	155,874
Between one and five years	**420,654**	452,021
In more than five years	**25,000**	125,000
	586,682	732,895

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11. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdraft	-	70,895
Bank loans	130,715	138,750
Hire purchase contracts	12,481	42,793
	143,196	252,438

Santander UK Plc hold a bond and floating charge over the assets of the company.

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Janice Alexander (Senior Statutory Auditor)
for and on behalf of Robb Ferguson

13. CONTINGENT LIABILITIES

The company has entered into a cross guarantee with Santander Bank Plc over the borrowings of the following related companies; Thomas Johnstone (Holdings) Limited and Thomas Johnstone Limited. The potential liability at 31 December 2020 amounted to £nil (2019 - £114,084).

14. RELATED PARTY DISCLOSURES

A company under common control
During the year to 31 December 2020, the company made sales of £28,349 (2019 - £183,681) to a company under common control. The company also paid management fees of £106,000 (2019 - £106,000) and made purchases of £52,225 (2019 - £252,665). As at the statement of financial position date, the company owed £26,375 (2019 - £14,172) to the company under common control.

15. ULTIMATE PARENT COMPANY

At the statement of financial position date, Lareine Engineering (Holdings) Limited (incorporated in the UK) is regarded by the directors as being the company's ultimate parent company.

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.