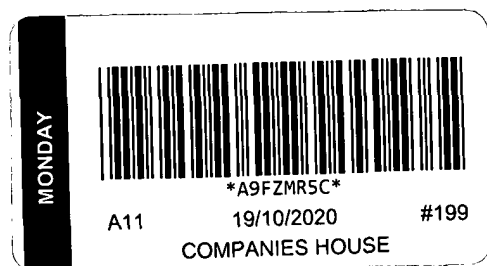


COMPANY REGISTRATION NUMBER 06287006

BRADMAN-LAKE LIMITED

ACCOUNTS

31 DECEMBER 2019



BRADMAN-LAKE LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2019

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BRADMAN-LAKE LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

YEAR ENDED 31 DECEMBER 2019

Directors

B J Langley
J Marlee

Registered office

Enterprise Way
Retford
Nottinghamshire
DN22 7HH

Auditor

Saffery Champness LLP
Statutory Auditor
Unex House
Bourges Boulevard
Peterborough
PE1 1NG

Bankers

Barclays Bank plc
One Snowhill
Snowhill Queensway
Birmingham
B3 2WN

BRADMAN-LAKE LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2019

The Directors have pleasure in presenting their Report and the Accounts of the Company for the year to 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company during the period was that of the manufacture and sale of packaging equipment.

RESULTS AND DIVIDENDS

The trading results for the year and the Company's financial position at the end of the year are shown in the attached Accounts.

The Company generated a profit before taxation of €1,284,610 (2018 – €1,083,870).

No dividends were paid during the current or prior year.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The company is profitable and in a net current asset position at the year end, and is profitable in the post year end period. The directors have reviewed forecasts for a period of 12 months following the sign off date, factoring in the impact of Covid-19, and from this have concluded that it is appropriate to use the going concern basis.

DIRECTORS

The Directors who served the Company during the year were as follows:

J Marlee
B J Langley

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

BRADMAN-LAKE LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2019

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report, the Strategic Report and the Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare Accounts for each financial year. Under that law the Directors have elected to prepare the Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Accounts, the Directors are required to:

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

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

Signed by order of the Directors



J Marlee
Director

Approved by the Directors on

21/09/20

BRADMAN-LAKE LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2019

The Directors present their Strategic Report for the year ended 31 December 2019.

(a) Development performance and position

The Directors are satisfied with the trading results of the Company for the year and they are confident of the future prospects of the Company.

(b) Principal risks and uncertainties

The Directors of Langley Holdings plc manage the Group's risks at a group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of Bradman-Lake Limited. The principal risks and uncertainties of Langley Holdings plc, which include those of Bradman-Lake Limited, are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

(c) Financial Risk Management

The Company's operations expose it to a variety of financial risks, which include cash flow fluctuation.

The Company has committed credit facilities made available through the Group.

The policies set down by the Board of Directors are implemented by the Company's finance department and are subject to regular reviews by the Board.

(d) Key performance indicators (KPI's)

The Directors of Langley Holdings plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of Bradman-Lake Limited. The key performance indicators of The Langley Holdings Group are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

Signed by order of the Directors



J Marlee
Director

Approved by the Directors on

21/09/20

Bradman-Lake Limited
Registered in England and Wales
Company number 06287006

BRADMAN-LAKE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED

YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Bradman-Lake Limited (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Accounts, other than the financial statements and our auditors' 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.

BRADMAN-LAKE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED

YEAR ENDED 31 DECEMBER 2019

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

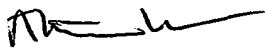
BRADMAN-LAKE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRADMAN-LAKE LIMITED

YEAR ENDED 31 DECEMBER 2019

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.



**Alistair Hunt (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP**

25/9/20
.....

**Chartered Accountants
Statutory Auditors**

Suite C, Unex House
Bourges Boulevard
Peterborough
Cambridgeshire
PE1 1NG

BRADMAN-LAKE LIMITED**INCOME STATEMENT****YEAR ENDED 31 DECEMBER 2019**

	Note	2019 €	2018 €
REVENUE	2	20,752,879	20,988,797
Cost of sales	3	(14,364,759)	(15,477,797)
GROSS PROFIT		6,388,120	5,511,000
Administrative expenses		(5,151,869)	(4,449,247)
OPERATING PROFIT	4	1,236,251	1,061,753
Finance income	5	197,373	49,989
Finance costs	6	(149,014)	(27,872)
PROFIT BEFORE TAXATION		1,284,610	1,083,870
Income tax	9	(313,931)	(61,859)
PROFIT FOR THE YEAR		970,679	1,022,011

All of the activities of the Company are classed as continuing. The profit for the year is attributable to the Equity holder of the immediate Parent Company.

The notes on pages 13 to 29 form part of these Accounts

BRADMAN-LAKE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2019

	2019	2018
	€	€
Profit for the year	970,679	1,022,011
Other comprehensive income/(expense) for the year:		
<u>Items which may be reclassified to profit and loss</u>		
Exchange adjustments	123,026	(29,831)
Total comprehensive income for the year	<u>1,093,705</u>	<u>992,180</u>

The notes on pages 13 to 29 form part of these Accounts

BRADMAN-LAKE LIMITED**STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019	2018
		€	€
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,988,853	317,305
Deferred income tax asset	15	-	100
Trade and other receivables	12	1,103,191	1,064,549
		<u>3,092,044</u>	<u>1,381,954</u>
CURRENT ASSETS			
Inventories	11	2,664,763	1,963,671
Trade and other receivables	12	6,931,546	5,517,262
		<u>9,596,309</u>	<u>7,480,933</u>
CURRENT LIABILITIES			
Trade and other payables	13	(8,206,999)	(7,061,140)
NET CURRENT ASSETS			
		<u>1,389,310</u>	<u>419,793</u>
NON-CURRENT LIABILITIES			
Trade and other payables	14	(1,581,509)	-
Deferred income tax liability	15	(4,393)	-
		<u>(1,585,902)</u>	<u>-</u>
NET ASSETS			
		<u>2,895,452</u>	<u>1,801,747</u>
EQUITY			
Share capital	17	1	1
Retained earnings	19	2,895,451	1,801,746
TOTAL EQUITY		<u>2,895,452</u>	<u>1,801,747</u>

These Accounts were approved by the Directors on 21/09/20 and are signed on their behalf by:



J Marlee
Director

Company registration number: 06287006

The notes on pages 13 to 29 form part of these Accounts

BRADMAN-LAKE LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share Capital €	Retained Earnings €	Total Equity €
Balance at 1 January 2018	<u>1</u>	<u>809,566</u>	<u>809,567</u>
Changes in equity for the year ended 31 December 2018			
Currency exchange adjustment arising on retranslation	-	(29,831)	(29,831)
Dividend paid	-	1,022,011	1,022,011
Balance at 31 December 2018	<u>1</u>	<u>1,801,746</u>	<u>1,801,747</u>
Changes in equity for the year ended 31 December 2019			
Currency exchange adjustment arising on retranslation	-	123,026	123,026
Profit for the year	-	970,679	970,679
Balance at 31 December 2019	<u>1</u>	<u>2,895,451</u>	<u>2,895,452</u>

The notes on pages 13 to 29 form part of these Accounts

BRADMAN-LAKE LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2019**

		2019		2018	
	Note	€	€	€	€
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	23		(293,837)		(420,688)
Net interest received			48,359		22,117
Income taxes paid			(91,871)		(280,512)
NET CASH USED IN OPERATING ACTIVITIES			<u>(337,349)</u>		<u>(679,083)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		<u>(12,493)</u>		<u>(110,387)</u>	
NET CASH USED IN INVESTING ACTIVITIES			<u>(12,493)</u>		<u>(110,387)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payment of lease liabilities		<u>(119,310)</u>		<u>-</u>	
NET CASH USED IN FINANCING ACTIVITIES			<u>(119,310)</u>		<u>-</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			(469,152)		(789,470)
Cash and cash equivalents at 1 January			(2,284,939)		(1,531,587)
Effects of exchange rate changes on cash and cash equivalents			<u>(137,288)</u>		<u>36,118</u>
Cash and cash equivalents at 31 December			<u>(2,891,379)</u>		<u>(2,284,939)</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Bank overdrafts	13		<u>(2,891,379)</u>		<u>(2,284,939)</u>

The notes on pages 13 to 29 form part of these Accounts

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

(a) Basis of preparation

Bradman-Lake Limited is a Company incorporated in the United Kingdom.

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006.

All accounting policies are consistent with those applying in the last annual Accounts for the year ended 31 December 2018.

The Accounts have been prepared on a historical cost basis.

Going concern

The directors have prepared the financial statements on the going concern basis. The company is profitable and in a net current asset position at the year end, and is profitable in the post year end period. The directors have reviewed forecasts for a period of 12 months following the sign off date, factoring in the impact of Covid-19, and from this have concluded that it is appropriate to use the going concern basis.

New and amended Standards and Interpretations adopted by the Company

The Company has adopted IFRS 16 in these accounts which has given rise to the change in accounting policy detailed in 1j. The Company elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. The impact of adopting this standard is detailed in notes 10 and 20.

There were a number of Amendments to Standards adopted in the current year, but none of these had a material impact on the Company in the current period.

New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2019

At the date of authorisation of these accounts, there were a number of standards and interpretations which were in issue but not yet effective.

The effect of all other new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost of purchase, net of depreciation and any impairment provision. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Leasehold land and buildings	-	Straight line over the lease term
Plant and machinery	-	10-20 years straight line
Office and computer equipment	-	3-5 years straight line
Motor vehicles	-	4 years straight line

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

(c) Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables do not carry any interest and are initially measured at their fair value and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables are impaired when the asset meets one of the following criteria:

- a) The financial asset is credit-impaired; or
- b) Credit losses are expected on the asset. Any loss allowance relating to trade receivables has been calculated with reference to historical experience in the recoverability of such receivables, taking into consideration current conditions and forecasts of future economic conditions.

Borrowings

Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest method.

Trade payables

Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

(d) Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	-	cost of purchase on a weighted average basis.
Work in progress	-	cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

(e) Revenue recognition

Revenue is recognised in accordance with the transfer of promised goods or services to customers (i.e. when the customer gains control of the good/service), and is measured as the consideration which the Company expects to be entitled to in exchange for those goods or services. Consideration is typically fixed on the agreement of a contract. Payment terms are agreed on a contract by contract basis.

Contracts include promises to transfer goods and/or services to a customer (i.e. “performance obligations”) which are typically indistinct and hence are accounted for together in a single performance obligation. Where multiple performance obligations exist within one contract, the transaction price is allocated between each performance obligation on the basis of past experience, with reference to stand-alone selling prices of each component.

A good or service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A performance obligation is satisfied over time when the vendor's performance creates an asset with no alternative use for the vendor and the customer has an obligation to pay the vendor for performance to date.

The Company uses input methods to measure the progress towards completion of a performance obligation satisfied over time. Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The input method used by the Company is based on costs incurred to date.

The company presents as a contract asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions (contract liabilities) are included within ‘trade and other receivables’. The company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Contract asset and liability balances fluctuate due to the timing and mix of contracts held by the Company.

Contracts are deemed to be complete, and hence performance obligations fully satisfied, post customer acceptance of the goods. Amounts disclosed as current deferred income reflect revenue that will be recognised on performance obligations that will be satisfied within a year.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the end of the reporting period totals €7,477,000. This revenue is expected to be recognised in the next accounting period.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES *(continued)*

(f) Income taxes

The income tax expense represents the sum of the tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Accounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantially enacted at the balance sheet date.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

(g) Foreign currency

(a) Transactions and balances

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

(b) Preparation of Accounts

These Accounts have been presented in Euros because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.14 (2018 - €1.13) to the Pound Sterling. The opening exchange rate was €1.11 (2018 - €1.13) to the Pound Sterling and the closing exchange rate was €1.17 (2018 - €1.11) to the Pound Sterling.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short term deposits with banks and similar financial institutions, with a maturity of six months or less, and bank overdrafts.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES *(continued)*

(i) Pension costs

The employees are eligible to join a defined contribution stakeholder pension scheme which is administered on behalf of the Company by a pension provider. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The scheme does not provide a gross minimum pension for contracting out of the state earnings related pension scheme. The annual contributions payable are charged to the Income Statement.

(j) Leases

As indicated in note 1(a) above, the Company has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the Standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

Prior to 1 January 2019, leases of property, plant and equipment were classified as operating leases. From 1 January 2019, leases are recognised as right-of-use assets with a corresponding liability at the date at which the leased asset is available for the use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are depreciated over the shorter of the assets useful life and the lease term (including any reasonably certain extension options) on a straight line basis.

Short term leases for which the underlying asset is of low value (less than €5,000) are expensed on a straight line basis.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the Standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

(j) Leases (continued)

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying IAS17 and Interpretation 4 'Determining whether an Arrangement contains a lease'.

(k) Key assumptions and significant judgements

The preparation of the Accounts in conformity with IFRS requires management to make estimates and judgements. The areas where the most judgement is required are highlighted below:

i Revenue and margin recognition

Revenue is recognised in accordance with the satisfaction of performance obligations. A performance obligation is satisfied over time, and hence revenue is recognised over time, when an asset is created with no alternative use for the vendor. This requires the application of judgement to determine whether the asset is sufficiently specialised that it would have no alternative use.

The input method used by the Company to measure the amount of revenue to be recognised is based on costs incurred to date relative to total expected costs, which requires significant judgement. Contracts can be highly bespoke and hence historical cost information is not always useful in estimating future costs. The Company's policies for the recognition of revenue and profit are set out above.

ii Inventories

For financial reporting purposes the Company evaluates its inventory to ensure that it is carried at the lower of cost and net realisable value. Provisions are made against all inventories relating to machines that are no longer manufactured.

2. REVENUE

The revenue and profit before tax are attributable to the one principal activity of the Company.

3. ANALYSIS OF COST OF SALES

Cost of sales has been arrived at after charging:

	2019	2018
	€	€
Cost of materials	<u>9,089,438</u>	<u>11,293,596</u>

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019****4. OPERATING PROFIT**

Operating profit been arrived at after charging/(crediting):

	2019	2018
	€	€
Depreciation of owned assets	54,703	41,271
Depreciation of right-of-use assets	126,767	-
Fees payable to the Company's auditor for the audit of the Company's annual accounts	27,840	36,158
Reversal of impairment of amounts owed by Group undertakings	-	(1,064,548)
Net gain on foreign currency translation	(8,678)	(82,046)

5. FINANCE INCOME

	2019	2018
	€	€
Interest on loans to Group undertakings	197,373	49,989

6. FINANCE COSTS

	2019	2018
	€	€
Interest on borrowings	131,181	27,872
Interest on lease liabilities	17,833	-
	149,014	27,872

7. KEY MANAGEMENT PERSONNEL COMPENSATION

	2019	2018
	€	€
Salaries and short-term employee benefits	244,518	183,940
Post-employment benefits	6,857	6,780
	251,375	190,720

All of the above key management personnel compensation relates to Directors.

Directors' emoluments

	2019	2018
	€	€
Aggregate emoluments as Directors of the Company	216,063	165,237
Value of pension contributions	6,857	6,780
	222,920	172,017

	No.	No.
Number of Directors who were accruing benefits under defined contribution pension scheme	1	1

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019****8. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the Company during the year was as follows:

	2019	2018
	No.	No.
Engineering staff	128	121
Administrative staff	50	59
	<u>178</u>	<u>180</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	€	€
Wages and salaries	6,991,569	7,904,137
Social security costs	780,481	780,339
Other pension costs	265,883	264,032
	<u>8,037,933</u>	<u>8,948,508</u>

9. INCOME TAX

(a) Charge for the year

	2019	2018
	€	€
Current income tax:		
UK corporation tax charge on profit for the year	244,439	43,037
Over provision in prior periods	65,101	13,950
Deferred tax	4,391	4,872
Total income tax	<u>313,931</u>	<u>61,859</u>

(b) Factors affecting current tax charges

	2019	2018
	€	€
Profit before taxation	<u>1,284,610</u>	<u>1,083,070</u>
Profit before taxation multiplied by the standard rate of tax of 19% (2018: 19%)	244,076	205,935
Expenses not deductible for tax purposes	178	436
Non-taxable income	-	(202,264)
Adjustment in respect of prior periods – deferred tax	4,557	39,704
Adjustments in respect of prior periods – current tax	65,101	13,950
Adjust closing deferred tax to average rate	(504)	4,098
Adjust opening deferred tax to average rate	523	-
Total income tax expense	<u>313,931</u>	<u>61,859</u>

Impact of future tax rate changes

The main rate of corporation tax is expected to remain at 19%.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land & Buildings €	Plant & Machinery €	Office and Computer Equipment €	Motor Vehicles €	Total €
COST					
At 1 January 2018	67,038	788,584	344,868	17,269	1,217,759
Additions	-	60,988	49,399	-	110,387
Disposals	-	(232,112)	(128,251)	-	(360,363)
Exchange adjustments	(967)	(8,339)	(3,575)	(250)	(13,131)
At 31 December 2018	66,071	609,121	262,441	17,019	954,652
Additions	-	10,742	1,751	-	12,493
Adjustment for right-of- use assets	1,731,902	-	-	-	1,731,902
Disposals	(68,026)	(157,897)	(74,007)	(4,952)	(304,882)
Exchange adjustments	97,279	29,904	12,666	816	140,665
At 31 December 2019	<u>1,827,226</u>	<u>491,870</u>	<u>202,851</u>	<u>12,883</u>	<u>2,534,830</u>
DEPRECIATION					
At 1 January 2018	67,038	322,791	325,682	17,269	732,780
Charge for the year	-	38,486	2,785	-	41,271
Depreciation on disposals	-	(3,846)	(123,819)	-	(127,665)
Exchange adjustments	(967)	(5,272)	(2,550)	(250)	(9,039)
At 31 December 2018	66,071	352,159	202,098	17,019	637,347
Charge for the year - owned assets	-	35,718	18,985	-	54,703
Charge for the year - right-of-use assets	126,767	-	-	-	126,767
Depreciation on disposals	(68,026)	(157,897)	(74,007)	(4,952)	(304,882)
Exchange adjustments	5,080	16,377	9,769	816	32,042
At 31 December 2019	<u>129,892</u>	<u>246,357</u>	<u>156,845</u>	<u>12,883</u>	<u>545,977</u>
NET BOOK VALUE					
At 31 December 2019	<u>1,697,334</u>	<u>245,513</u>	<u>46,006</u>	<u>-</u>	<u>1,988,853</u>
At 31 December 2018	<u>-</u>	<u>256,962</u>	<u>60,343</u>	<u>-</u>	<u>317,305</u>

11. INVENTORIES

	2019 €	2018 €
Raw materials	1,033,429	1,060,745
Work in progress	1,631,334	902,926
	<u>2,664,763</u>	<u>1,963,671</u>

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019****11. INVENTORIES (continued)****CONSTRUCTION WORK IN PROGRESS**

Contracts in progress at the year end:

	2019	2018
	€	€
Amount due from contract customers included in trade and other receivables (note 12)	3,548,181	3,381,599
Amount due to contract customers included in trade and other payables (note 13)	<u>(2,541,998)</u>	<u>(1,891,797)</u>
	<u>1,006,183</u>	<u>1,489,802</u>
Contract costs incurred plus recognised profit less recognised losses to date	14,835,324	16,821,472
Less: progress billing	<u>(13,829,141)</u>	<u>(15,331,670)</u>
	<u>1,006,183</u>	<u>1,489,802</u>

12. TRADE AND OTHER RECEIVABLES**NON-CURRENT TRADE AND OTHER RECEIVABLES**

	2019	2018
	€	€
Amounts owed by Group undertakings	<u>1,103,191</u>	<u>1,064,549</u>

CURRENT TRADE AND OTHER RECEIVABLES

	2019	2018
	€	€
Trade receivables	2,439,522	1,177,063
Amounts recoverable on contracts	3,548,181	3,381,599
Amounts owed by Group undertakings	765,830	629,841
Prepayments and accrued income	174,542	228,792
Other debtors	3,471	99,967
	<u>6,931,546</u>	<u>5,517,262</u>

For terms and conditions relating to related party receivables, refer to note 16.

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019****12. CURRENT TRADE AND OTHER RECEIVABLES (continued)**

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	2019	2018
	€	€
Balance at 1 January	1,885,557	3,542,866
(Decrease)/Increase in provision	(7,434)	(1,064,549)
Exchange adjustments	103,589	(592,760)
Balance at 31 December	<u>1,981,712</u>	<u>1,885,557</u>

The provision for bad and doubtful debts includes estimated potential credit losses.

Trade receivables are non-interest bearing and are generally on 30 – 90 days terms.

At 31 December 2019, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days past due	30-60 days past due	60-90 days past due	90-120 days past due	>120 days past due
	€	€	€	€	€
2019	498,854	149,852	9,156	199,026	968,193
2018	632,491	389,833	151,371	23,573	161,434

13. CURRENT TRADE AND OTHER PAYABLES

	2019	2018
	€	€
Trade payables	718,338	1,276,408
Amounts owed to Group undertakings	154,500	465,976
Income tax payable	253,533	35,864
Bank overdrafts	2,891,379	2,284,939
VAT payable	381,486	239,075
Other taxes and social security	252,344	480,403
Accruals and deferred income	784,897	306,931
Warranty provision	105,059	79,744
Lease liabilities	123,465	-
Progress payments	2,541,998	1,891,800
	<u>8,206,999</u>	<u>7,061,140</u>

The bank overdraft is secured by a guarantee from the ultimate Parent Company.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

13. CURRENT TRADE AND OTHER PAYABLES (continued)

	Warranty Provisions €
Movement in year ended 31 December 2018	
Balance at 1 January 2018	107,690
Additional provision recognised	81,185
Provision released to profit and loss	(108,055)
Exchange adjustments	(1,077)
Balance at 31 December 2018	<u>79,744</u>
	Warranty Provisions €
Movement in year ended 31 December 2019	
Balance at 1 January 2019	79,744
Additional provision recognised	25,099
Provision released to profit and loss	(4,675)
Exchange adjustments	4,891
Balance at 31 December 2019	<u>105,059</u>

The warranty provision is estimated from historical data for the Company and relates to contracts sold in the year. The standard warranty period for the Company is one year.

14. NON-CURRENT TRADE AND OTHER PAYABLES

	2019 €	2018 €
Lease liabilities	<u>1,581,509</u>	<u>-</u>

15. DEFERRED INCOME TAX

	2019 €	2018 €
Deferred taxation asset		
At 1 January	100	4,957
Charge to income statement	(4,391)	(4,786)
Exchange differences	(102)	(71)
At 31 December	<u>(4,393)</u>	<u>100</u>
	2019 €	2018 €
Fixed asset timing differences	(11,938)	-
Short term timing differences	7,545	100
	<u>(4,393)</u>	<u>100</u>

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019****16. RELATED PARTY TRANSACTIONS**

During the year the Company made sales to and purchases from the following Group entities:

	Sales		Purchases	
	2019	2018	2019	2018
	€	€	€	€
Bradman-Lake Inc.	<u>1,347,429</u>	<u>888,787</u>	<u>-</u>	<u>29,092</u>

At the year end, Bradman-Lake Limited had the following balances with other Group companies:

	Amount due to Company		Amount owed by Company	
	2019	2018	2019	2018
	€	€	€	€
Bradman-Lake Inc.	1,869,021	1,694,390	-	-
Langley Holdings plc	<u>-</u>	<u>-</u>	<u>154,500</u>	<u>465,976</u>

Interest of €114,783 (2018 - €53,894) was paid to Langley Holdings plc in the year and interest of €172,701 (2018 - €nil) was received from Bradman Lake Inc. in the year in respect of loan balances included above.

Rent of €315,773 (2018 - €170,329) was paid to Langley Holdings plc during the year. The Company also paid management charges to Langley Holdings plc of €244,667 (2018 - €155,760).

Terms and conditions of transactions with related parties

The transactions with related parties are made at normal prices. Outstanding balances at the year end are unsecured and interest free.

17. SHARE CAPITAL**Authorised share capital:**

	2019	2018
	€	€
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted and called up:

	2019		2018	
	No.	€	No.	€
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

18. ULTIMATE PARENT COMPANY

The immediate Parent Company is Bradman-Lake Group Limited, a company incorporated in the UK. The ultimate Parent Company is Langley Holdings plc, a company incorporated in the UK. Langley Holdings plc itself is controlled by A J Langley. Consolidated Accounts of Langley Holdings plc can be obtained from the Registrar of Companies at Companies House.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

19. RETAINED EARNINGS

Included within retained earnings of the Company are foreign exchange reserves of €571,812 (2018 - €448,786).

The net currency exchange difference arising on retranslation in the year was a profit of €123,026 (2018 – loss of €29,831). The foreign currency translation reserves contain accumulated foreign currency translation differences from the translation of the Accounts of the Company into its presentational currency.

20. LEASES

Depreciation charged on right-of-use assets is disclosed in notes 4 and 10.

Interest charges relating to lease liabilities are disclosed in note 6.

	2019
	€
Expenses relating to short term leases	178,631
Expenses relating to low value assets	-
Cash outflow for leases	<u>119,310</u>

The carrying value of right-of-use assets at 31 December 2019 is broken down as follows:

	Leasehold Land & Buildings
	€
Cost	
At 1 January 2019	-
Additions	1,731,902
Exchange adjustments	98,952
At 31 December 2019	<u>1,830,854</u>
Depreciation	
At 1 January 2019	-
Charge for the year	126,767
Exchange adjustments	6,753
At 31 December 2019	<u>133,520</u>
Netbook amount	
At 31 December 2019	<u>1,697,334</u>

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

20. LEASES (continued)

Lease liabilities in relation to right-of-use assets fall due as follows:

	2019
	€
Due within 1 year	
Due within 2-5 years	123,465
Due after more than 5 years	506,332
	<u>1,075,177</u>
	<u>1,704,974</u>

Measurement of lease liability:

	2019
	€
Operating lease commitments at 31 December 2018	1,903,441
Less leases treated as short term on transition	(38,846)
Discounted using the incremental borrowing rate at 1 January 2019 (1%)	(132,693)
	<u>1,731,902</u>

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise loans received together with trade receivables, trade payables and short term deposits which arise directly from its operations. The main purpose of these financial instruments is to fund the Company's operations and to manage its working capital, liquidity and surplus funds.

The Company does not enter into any derivative transactions.

The main risks arising from the Company's financial instruments are foreign currency risk and credit risk. Liquidity risk is not considered to be a main risk to the Company due to the Group's cash and cash equivalents balances being considerably higher than any bank borrowings and the availability of funding from the Group.

BRADMAN-LAKE LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies of other Group entities (which are principally Sterling, Euros and US Dollars).

The Company does not utilise any hedging arrangements as the Directors do not consider that the risk posed is significant to the Company's operations.

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling to Euro exchange rate, with all other variables held constant, of the Company's profit or loss before tax due to changes in the fair value of monetary assets and liabilities.

	Increase/decrease in Sterling rate	Effect on profit before tax €
2019	+20%	321,153
	-20%	(214,101)
2018	+20%	270,966
	-20%	(180,646)

Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the results that the Company's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Company, comprising of cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

The amount that best represents the Group's maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements is expected to be the total value of trade receivables and contract assets.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates is solely to the Company's bank overdraft and cash on deposit with floating interest rates. The Company is part of a cash pooling arrangement and the interest risk is therefore shared with other companies in the Group. The interest rate risk of the Group is discussed further in the accounts of Langley Holdings plc.

Capital risk management

The Company manages capital to ensure adequate resources are retained for the continued growth of the Company. Access to capital includes the availability of funding through agreed credit facilities.

BRADMAN-LAKE LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2019**

22. CONTINGENCIES

The Company is party to a Group bank composite accounting arrangement and has given a guarantee to the bank in respect of all fellow subsidiaries' bank facilities, secured by a debenture dated 21 July 2014 over the assets of the Company in favour of Barclays Bank Plc. At the year end, there is no net borrowing under the arrangement (2018 - €nil).

23. CASH GENERATED FROM OPERATIONS

	2019	2018
	€	€
Profit before tax	1,284,610	1,083,870
Depreciation	181,470	41,271
Loss on disposal of PPE	-	232,698
Net interest income	(48,359)	(22,117)
Increase in inventories	(701,092)	(650,706)
(Increase)/decrease in trade and other receivables	(1,452,926)	1,546,328
Increase/(decrease) in trade and other payables	198,285	(2,590,160)
Exchange adjustments	244,175	(42,968)
	<u>(293,837)</u>	<u>(420,688)</u>