

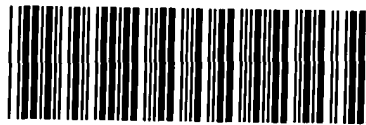
COMPANY REGISTRATION NUMBER 06287006

BRADMAN-LAKE LIMITED

ANNUAL REPORT

31 DECEMBER 2017

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BRADMAN-LAKE LIMITED
ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2017

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BRADMAN-LAKE LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

YEAR ENDED 31 DECEMBER 2017

Directors	B J Langley J Marlee
Company secretary	B J Langley
Registered office	Enterprise Way Retford Nottinghamshire DN22 7HH
Auditor	Nexia Smith & Williamson Statutory Auditor Chartered Accountants Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	Barclays Bank plc One Snowhill Snowhill Queensway Birmingham B3 2WN

BRADMAN-LAKE LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2017

The Directors have pleasure in presenting their Report and the Financial Statements of the Company for the year to 31 December 2017.

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 Financial Statements.

The Company generated a trading profit before taxation of €1,872,208. However, an impairment of €3,580,363 has been provided against an amount due from a fellow undertaking, as shown in note 11 to the Financial Statements.

The Directors have not recommended a final dividend. An interim dividend of €2,911,521 (2016 - €1,956,204), was paid to Bradman-Lake Group Limited.

DIRECTORS

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

B A Watson – resigned on 1 April 2018

J Marlee

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 2017

DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs, as adopted by the European Union, have been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements 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 Financial Statements 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 20/9 2018

BRADMAN-LAKE LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2017

The Directors present their Strategic Report for the year ended 31 December 2017.

(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 28/9 2018

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 2017

Opinion

We have audited the financial statements of Bradman-Lake Limited (the 'Company') for the year ended 31 December 2017 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 2017 and of its loss 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 2017

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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 2017

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.

Nexia Smith & Williamson

Michael Neale (Senior Statutory Auditor)

for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: *28/9/2018*

BRADMAN-LAKE LIMITED**INCOME STATEMENT****YEAR ENDED 31 DECEMBER 2017**

	Note	2017 €	Restated 2016 €
REVENUE	2	21,574,590	26,083,597
Cost of sales	3	(14,047,201)	(17,185,245)
GROSS PROFIT		<u>7,527,389</u>	<u>8,898,352</u>
Administrative expenses		(9,317,713)	(3,955,274)
OPERATING (LOSS)/PROFIT	4	<u>(1,790,324)</u>	<u>4,943,078</u>
Finance income		121,779	30,908
Finance costs	5	(39,610)	(33,074)
(LOSS)/PROFIT BEFORE TAXATION		<u>(1,708,155)</u>	<u>4,940,912</u>
Income tax	8	(295,620)	(974,547)
(LOSS)/PROFIT FOR THE YEAR		<u>(2,003,775)</u>	<u>3,966,365</u>

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

Prior year restatement is related to removing the inter-divisional revenue and cost of sales, which has only a presentation effect and not an effect on results for that year.

The notes on pages 13 to 26 form part of these Financial Statements

BRADMAN-LAKE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

	2017	2016
	€	€
(Loss)/profit for the year	(2,003,775)	3,966,365
Other comprehensive expense for the year:		
<u>Items which may be reclassified to profit and loss</u>		
Exchange adjustments	(158,853)	(702,655)
Total comprehensive (loss)/income for the year	<u>(2,162,628)</u>	<u>3,263,710</u>

The notes on pages 13 to 26 form part of these Financial Statements

BRADMAN-LAKE LIMITED**STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017	2016
		€	€
NON-CURRENT ASSETS			
Property, plant and equipment	9	484,979	259,050
Deferred income tax asset	13	4,957	6,534
		<u>489,936</u>	<u>265,584</u>
CURRENT ASSETS			
Inventories	10	1,312,965	1,161,494
Trade and other receivables	11	8,128,139	13,877,696
		<u>9,441,104</u>	<u>15,039,190</u>
CURRENT LIABILITIES			
Trade and other payables	12	(9,121,473)	(9,421,058)
NET CURRENT ASSETS			
		<u>319,631</u>	<u>5,618,132</u>
NET ASSETS			
		<u>809,567</u>	<u>5,883,716</u>
EQUITY			
Share capital	16	1	1
Retained earnings	18	809,566	5,883,715
TOTAL EQUITY			
		<u>809,567</u>	<u>5,883,716</u>

These Financial Statements were approved by the Directors on 28/9 2018 and are signed on their behalf by:



J Marlee
Director

Company registration number: 06287006

The notes on pages 13 to 26 form part of these Financial Statements

BRADMAN-LAKE LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share Capital €	Retained Earnings €	Total Equity €
Balance at 1 January 2016	<u>1</u>	<u>4,576,209</u>	<u>4,576,210</u>
Changes in equity for the year ended 31 December 2016			
Currency exchange adjustment arising on retranslation	-	(702,655)	(702,655)
Profit for the year	-	3,966,365	3,966,365
Dividend paid	-	(1,956,204)	(1,956,204)
Balance at 31 December 2016	<u>1</u>	<u>5,883,715</u>	<u>5,883,716</u>
Changes in equity for the year ended 31 December 2016			
Currency exchange adjustment arising on retranslation	-	(158,853)	(158,853)
Loss for the year	-	(2,003,775)	(2,003,775)
Dividend paid	-	(2,911,521)	(2,911,521)
Balance at 31 December 2017	<u>1</u>	<u>809,566</u>	<u>809,567</u>

The notes on pages 13 to 26 form part of these Financial Statements

BRADMAN-LAKE LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2017**

		2017		2016	
	Note	€	€	€	€
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	21		3,517,858		2,033,667
Net interest received/(paid)			82,169		(2,166)
Income taxes paid			<u>(1,368,542)</u>		<u>(101,796)</u>
NET CASH GENERATED BY OPERATING ACTIVITIES			2,231,485		1,929,705
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment			<u>(268,778)</u>		<u>(41,143)</u>
NET CASH USED IN INVESTING ACTIVITIES			(268,778)		(41,143)
CASH FLOWS FROM FINANCING ACTIVITIES					
Equity dividends paid			<u>(2,911,521)</u>		<u>(1,956,204)</u>
NET CASH USED IN FINANCING ACTIVITIES			(2,911,521)		(1,956,204)
NET DECREASE IN CASH AND CASH EQUIVALENTS			(948,814)		(67,642)
Cash and cash equivalents at 1 January			(619,307)		(606,777)
Effects of exchange rate changes on cash and cash equivalents			<u>36,534</u>		<u>55,112</u>
Cash and cash equivalents at 31 December			<u>(1,531,587)</u>		<u>(619,307)</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Bank overdrafts	12		<u>(1,531,587)</u>		<u>(619,307)</u>

The notes on pages 13 to 26 form part of these Financial Statements

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

(a) Basis of preparation

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

The Financial Statements 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 Financial Statements for the year ended 31 December 2016.

The Financial Statements have been prepared on a historical cost basis.

New and amended Standards and Interpretations adopted by the Company

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 2017

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 "Financial instruments" will be effective for the year ending December 2018 onwards, the main impact being the impairment assessment methodology used to value trade receivables.

IFRS 15 "Revenue from contracts with customers" will be effective for the year ending December 2018 onwards, an assessment of the full impact of this standard is in progress.

IFRS 16 "Leases" will be effective for the year ending December 2019 onwards and the impact on the financial statements will be significant. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts. Therefore, the substantial majority of the Company's operating lease commitments would be brought onto the statement of financial position and amortised and depreciated separately. There will be no impact on cash flows, although the presentation of the cash flow statement will change significantly.

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.

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

(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:

Plant and machinery	-	12-20 years straight line
Office and computer equipment	-	5 years straight line
Motor vehicles	-	4 years straight line

(c) Financial instruments

Financial assets and financial liabilities are recognised in the Company's 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.

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 FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

(e) Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

The Company presents as an 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 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).

(f) Revenue recognition

Revenue from sales of goods is recognised when the Company has delivered the products and the customer has accepted them. It is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts (see (e) above).

(g) 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 Financial Statements. 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.

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES *(continued)*

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.

(h) 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 Financial Statements

These Financial Statements 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 (2016 - €1.22) to the Pound Sterling. The opening exchange rate was €1.17 (2016 - €1.36) to the Pound Sterling and the closing exchange rate was €1.13 (2016 - €1.17) to the Pound Sterling.

(i) Cash and cash equivalents

Cash and cash equivalents comprises 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.

(j) 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.

(k) Operating leases

The relevant annual rentals are charged to the Income Statement on a straight line basis over the lease term.

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017**

1. ACCOUNTING POLICIES (continued)**(i) Key assumptions and significant judgements**

The preparation of the Financial Statements 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

The Company's revenue recognition and margin recognition policies in respect of the supply, installation and commissioning contracts, which are set out above, are central to the way in which the Company values the work it has carried out each financial period. This policy requires forecasts to be made of the outcomes of the contracts, which require assessments and judgements to be made on the margin likely to be achieved, and hence the costs likely to be incurred.

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 loss 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:

	2017	2016
	€	€
Cost of materials	<u>7,910,589</u>	<u>10,437,866</u>

4. OPERATING (LOSS)/PROFIT

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

	2017	2016
	€	€
Staff pension contributions	249,143	241,794
Depreciation of owned assets	29,698	28,730
Fees payable to the Company's auditor for the audit of the Company's annual accounts	33,105	32,360
Fees payable to the Company's auditor for other services	13,670	12,269
Operating lease costs:		
- land and buildings	349,019	225,962
Impairment of amounts owed by Group undertakings	3,580,363	-
Net loss/(gain) on foreign currency translation	<u>477,530</u>	<u>(719,825)</u>

5. FINANCE COSTS

	2017	2016
	€	€
Other interest	<u>39,610</u>	<u>33,074</u>

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017****6. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2017	2016
	€	€
Salaries and short-term employee benefits	223,759	246,045
Post-employment benefits	6,849	7,299
	<u>230,608</u>	<u>253,344</u>

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

Directors' emoluments

	2017	2016
	€	€
Aggregate emoluments as Directors of the Company	205,374	220,670
Value of pension contributions	6,849	7,299
	<u>212,223</u>	<u>227,969</u>

Number of Directors who were accruing benefits under defined contribution pension scheme

No.	No.
<u>1</u>	<u>1</u>

7. PARTICULARS OF EMPLOYEES

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

	2017	2016
	No.	No.
Engineering staff	124	120
Administrative staff	48	48
	<u>172</u>	<u>168</u>

The aggregate payroll costs of these persons were as follows:

	2017	2016
	€	€
Wages and salaries	7,682,432	7,786,471
Social security costs	739,219	754,298
Other pension costs	249,143	241,794
	<u>8,670,794</u>	<u>8,782,563</u>

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017**

8. INCOME TAX

(a) Charge for the year

	2017	2016
	€	€
Current income tax:		
UK corporation tax charge on profit for the year	301,823	970,358
Over provision in prior periods	(7,034)	(12,674)
Deferred tax	831	16,863
Total income tax	<u>295,620</u>	<u>974,547</u>

(b) Factors affecting current tax charges

	2017	2016
	€	€
(Loss)/profit before taxation	<u>(1,708,155)</u>	<u>4,940,912</u>
Profit before taxation multiplied by the standard rate of tax of 19.25% (2016: 20%)	(328,820)	988,182
Expenses not deductible for tax purposes	630,609	468
Additional deduction for R&D		-
Adjustments in respect of prior periods	(5,210)	(12,674)
Adjust closing deferred tax to average rate	(959)	(1,429)
Total income tax expense	<u>295,620</u>	<u>974,547</u>

Finance Act 2016, which received Royal Assent on 15 September 2016, includes legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. Accordingly, deferred tax has been calculated at the tax rate of 17%.

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property Improvements €	Plant & Machinery €	Office and Computer Equipment €	Motor Vehicles €	Total €
COST					
At 1 Jan 2016	80,773	608,746	391,574	20,807	1,101,900
Additions	-	40,450	693	-	41,143
Exchange adjustments	(11,066)	(84,915)	(53,672)	(2,850)	(152,503)
At 31 Dec 2016	69,707	564,281	338,595	17,957	990,540
Additions	-	249,277	19,501	-	268,778
Exchange adjustments	(2,669)	(24,974)	(13,228)	(688)	(41,559)
At 31 Dec 2017	67,038	788,584	344,868	17,269	1,217,759
DEPRECIATION					
At 1 Jan 2016	80,773	327,563	391,090	16,144	815,570
Charge for the year	-	24,951	434	3,345	28,730
Exchange adjustments	(11,066)	(45,811)	(53,597)	(2,336)	(112,810)
At 31 Dec 2016	69,707	306,703	337,927	17,153	731,490
Charge for the year	-	28,211	703	784	29,698
Exchange adjustments	(2,669)	(12,123)	(12,948)	(668)	(28,408)
At 31 Dec 2017	67,038	322,791	325,682	17,269	732,780
NET BOOK VALUE					
At 31 Dec 2017	-	465,793	19,186	-	484,979
At 31 Dec 2016	-	257,578	668	804	259,050

10. INVENTORIES

	2017 €	2016 €
Raw materials	1,169,865	1,135,932
Work in progress	143,100	25,562
	<u>1,312,965</u>	<u>1,161,494</u>

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017****10. INVENTORIES (continued)****CONSTRUCTION WORK IN PROGRESS**

Contracts in progress at the year end:

	2017	2016
	€	€
Amount due from contract customers included in trade and other receivables (note 11)	3,108,020	1,664,541
Amount due to contract customers included in trade and other payables (note 12)	(4,898,616)	(3,612,136)
	<u>(1,790,596)</u>	<u>(1,947,595)</u>
Contract costs incurred plus recognised profit less recognised losses to date	17,991,046	14,706,598
Less: progress billing	(19,781,642)	(16,654,193)
	<u>(1,790,596)</u>	<u>(1,947,595)</u>

11. CURRENT TRADE AND OTHER RECEIVABLES

	2017	2016
	€	€
Trade receivables	4,494,141	8,518,163
Amounts recoverable on contracts	3,108,020	1,664,541
Amounts owed by Group undertakings	242,134	3,454,785
Prepayments and accrued income	281,930	235,733
Other debtors	1,914	4,474
	<u>8,128,139</u>	<u>13,877,696</u>

For terms and conditions relating to related party receivables, refer to note 15.

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

	2017	2016
	€	€
Balance at 1 January	12,393	13,569
Increase in provision	3,580,363	-
Exchange adjustments	(49,891)	(1,176)
Balance at 31 December	<u>3,542,866</u>	<u>12,393</u>

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

11. CURRENT TRADE AND OTHER RECEIVABLES (continued)

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

At 31 December 2017, 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
	€	€	€	€	€
2017	2,485,184	950,767	43,920	82,195	521,505
2016	5,202,504	133,182	31,256	69,265	262,363

12. CURRENT TRADE AND OTHER PAYABLES

	2017 €	2016 €
Trade payables	1,138,845	1,486,441
Amounts owed to Group undertakings	272,039	204,807
Income tax payable	259,389	1,333,142
Bank overdrafts	1,531,587	619,307
VAT payable	568,507	323,843
Other taxes and social security	268,527	246,546
Accruals and deferred income	76,273	1,445,536
Warranty provision	107,690	149,300
Progress payments	4,898,616	3,612,136
	<u>9,121,473</u>	<u>9,421,058</u>

Movement in year ended 31 December 2016

	Warranty Provisions €
Balance at 1 January 2016	120,879
Additional provision recognised	38,779
Provision released to profit and loss	(7,954)
Exchange adjustments	(2,404)
Balance at 31 December 2016	<u>149,300</u>

Movement in year ended 31 December 2017

	Warranty Provisions €
Balance at 1 January 2017	149,300
Additional provision recognised	109,166
Provision released to profit and loss	(145,550)
Exchange adjustments	(5,226)
Balance at 31 December 2017	<u>107,690</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.

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017****13. DEFERRED INCOME TAX**

Deferred taxation asset	2017	2016
	€	€
At 1 January	6,534	26,379
Charge to income	(831)	(16,863)
Exchange differences	(746)	(2,982)
At 31 December	<u>4,957</u>	<u>6,534</u>
	2017	2016
	€	€
Accelerated capital allowances	(1,499)	(1,559)
Short term timing differences	6,090	7,712
Tax losses carried forward and other deductions	366	381
	<u>4,957</u>	<u>6,534</u>

14. COMMITMENTS AND CONTINGENCIES

A contingent liability exists at the year end in respect of the Group VAT liability of €261,645 (2016 - €101,479).

15. RELATED PARTY TRANSACTIONS

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

	Sales		Purchases	
	2017	2016	2017	2016
	€	€	€	€
Bradman-Lake Inc.	<u>1,816,387</u>	<u>574,797</u>	<u>79,622</u>	<u>131,358</u>

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

	Amount due to Company		Amount owed by Company	
	2017	2016	2017	2016
	€	€	€	€
Bradman-Lake Inc.	242,134	3,450,393	-	150,836
Bradman-Lake Group Limited	-	-	255,690	-
Langley Holdings plc	-	-	<u>46,434</u>	<u>38,773</u>

Interest of €19,385 (2016 - €23,377) was paid to Langley Holdings plc in the year and interest of €90,011 (2016 - €54,285) was received from Bradman Lake Inc. in the year in respect of loan balances included above.

Rent of €172,079 (2016 - €183,383) was paid to Langley Holdings plc during the year. The Company also paid management charges to Langley Holdings plc of €171,233 (2016 - €143,187).

BRADMAN-LAKE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2017****15. RELATED PARTY TRANSACTIONS (continued)***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. The Company has recorded impairment of €3,580,363 for receivables relating to amounts owed by related parties (2016 - €nil).

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

	2017	2016
	€	€
100 Ordinary shares of £1 each	100	100

Allotted and called up:

	2017		2016	
	No.	€	No.	€
Ordinary shares of £1 each	1	1	1	1

17. 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 Financial Statements of Langley Holdings plc can be obtained from the Registrar of Companies at Companies House.

18. RETAINED EARNINGS

	2017	2016
	€	€
At 1 January	5,883,715	4,576,209
(Loss)/profit for the year	(2,003,775)	3,966,365
Currency exchange differences on retranslation	(158,853)	(702,655)
Dividends paid	(2,911,521)	(1,956,204)
At 31 December	809,566	5,883,715

Included within retained earnings of the Company are foreign exchange reserves of €459,713 (2016 - €618,565).

The net currency exchange difference arising on retranslation in the year was a loss of €158,853 (2016 - €702,655). The foreign currency translation reserves contain accumulated foreign currency translation differences from the translation of the Financial Statements of the Company into its presentational currency.

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017, the Company had total commitments under non-cancellable operating leases as set out below:

	2017	2016
	€	€
Payments falling due:		
In less than one year	209,168	217,495
Between two and five years	718,428	788,014
After more than five years	240,484	441,279
	<u>1,168,080</u>	<u>1,446,788</u>

20. 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.

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 (loss)/profit before tax €
2017	+10%	(189,795)
	-10%	155,287
2016	+10%	548,989
	-10%	(449,175)

BRADMAN-LAKE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

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.

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 financial Statements 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.

21. CASH GENERATED FROM OPERATIONS

	2017	2016
	€	€
(Loss)/profit before tax	(1,708,155)	4,940,912
Depreciation	29,698	28,730
Net interest (income)/expense	(82,169)	2,166
(Increase)/decrease in inventories	(151,471)	17,338
Decrease/(increase) in trade and other receivables	5,749,557	(5,647,492)
(Decrease)/increase in trade and other payables	(138,112)	3,407,105
Exchange adjustments	(181,490)	(715,092)
	<u>3,517,858</u>	<u>2,033,667</u>