

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 July 2020
for
LECK GROUP LIMITED**

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

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for the Year Ended 31 July 2020**

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LECK GROUP LIMITED

Company Information for the Year Ended 31 July 2020

Directors:	D R Barker V Barker C M Barker
Secretary:	D R Barker
Registered office:	Leck House 80 Deansgate Lane Timperley Altrincham Cheshire WA14 1SP
Registered number:	00206159 (England and Wales)
Auditors:	Haines Watts Manchester Limited, Statutory Auditor Northern Assurance Buildings 9-21 Princess Street Manchester M2 4DN
Bankers:	National Westminster Bank plc PO Box No 305 Spring Gardens Manchester M60 2DB

**Group Strategic Report
for the Year Ended 31 July 2020**

The directors present their strategic report of the company and the group for the year ended 31 July 2020.

The principal activity of Leck Group Limited is the holding company for its subsidiary companies. The principal activities of the subsidiary companies continued to be that of building contractors, property developers and investment in property.

Review of business

The group's turnover increased by 22.7% from the previous year which is due to a combination of successfully winning large tenders and sale of developments. Whilst sales reduced towards the end of the year as a result of the coronavirus pandemic, the group has continued to trade. The gross profit margin has had minimal movement falling slightly from 14.0% to 15.0%. Admin expenses have increased by 26.2%, primarily from employing more senior staff within the year.

Other operating income has increased from £441k to £818k, as a result of receiving government grants of £288k and investment property valuations increasing.

Overall the profit of the group has increased from £323k in 2019 to £687k.

On the 31st January 2020, the United Kingdom invoked Article 50 of the Treaty of Lisbon, beginning the process of withdrawing from the European Union. The directors haven't encountered any supplies or staffing issues as a result of Brexit, nor does it anticipate any.

The Directors are satisfied with figures achieved during this continued difficult economic period.

Principal risks and uncertainties

Due to the nature of the industry safety, health and environmental issues are ever changing. Accordingly the health and safety of our employees and third parties is our priority. Financial and commercial risks are a continual issue of the industry. Competitive pricing is keener than ever making it difficult to pass on cost increases in material and labour. The board continually review these risks and have policies in place to manage them.

Towards the end of the financial year the coronavirus epidemic has arisen. Whilst it is not possible to accurately predict the ultimate impact of COVID-19 we believe that the company is in a better position than many to trade through the situation. Leck Group and its subsidiaries are in industries where there is still demand and the group has sufficient reserves, combined with its costs saving plan and use of available governmental assistance, to continue trading, albeit at a lower level for the immediate future, until normality returns.

Key performance indicators

The group's key financial and other performance indicators during the year were as follows:

Category	Unit	2020	2019
Sales	£	13,728,545	11,189,488
Gross profit	£	2,057,923	1,563,818
Gross margin	%	15.0	14.0

On behalf of the board:

D R Barker - Director

8 April 2021

**Report of the Directors
for the Year Ended 31 July 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2020.

Principal activities

Leck Group Limited is the holding company for its subsidiary companies. The principal activities of the subsidiary companies continued to be that of building contractors, property developers and investment in property.

Dividends

A dividend of £211,889 has been paid during the year.

Future developments

As for many businesses of our size, the environment in which the group and company operates continues to be challenging. The industry is subject to constraint on spending partly brought about by the uncertainty in the British economy and partly by other factors. With these risks and uncertainties in mind the directors are aware that any plans for future development of the group and company may be subject to unforeseen future events outside of their control. nevertheless the directors consider that the group is well placed to sustain the current level of activity in the foreseeable future.

Directors

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

D R Barker

V Barker

C M Barker

Financial instruments

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Retirement of directors

In accordance with the Articles of Association DR Barker retires by rotation, and being eligible, offers himself for re-election.

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors
for the Year Ended 31 July 2020**

Statement of directors' responsibilities - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Haines Watts Manchester Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

D R Barker - Director

8 April 2021

Report of the Independent Auditors to the Members of Leck Group Limited

Opinion

We have audited the financial statements of Leck Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group'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.

In addition, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is also disclosed in the basis of preparation accounting policy note.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Leck Group Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on pages three and four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

David Fort FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Manchester Limited, Statutory Auditor
Northern Assurance Buildings
9-21 Princess Street
Manchester
M2 4DN

9 April 2021

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 July 2020**

	Notes	2020 £	2019 £
Turnover	4	13,728,545	11,189,488
Cost of sales		(11,670,622)	(9,625,670)
Gross profit		2,057,923	1,563,818
Administrative expenses		(2,071,561)	(1,641,560)
		(13,638)	(77,742)
Other operating income		818,489	441,024
Operating profit	6	804,851	363,282
Income from fixed asset investments		2,457	2,943
Interest receivable and similar income		290	175
Profit before taxation		807,598	366,400
Tax on profit	7	(120,284)	(43,298)
Profit for the financial year		687,314	323,102
Other comprehensive income		-	-
Total comprehensive income for the year		687,314	323,102
Profit attributable to: Owners of the parent		687,314	323,102
Total comprehensive income attributable to: Owners of the parent		687,314	323,102

The notes on pages 14 to 27 form part of these financial statements

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Consolidated Balance Sheet
31 July 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		278,664		349,526
Investments	11		19,969		43,098
Investment property	12		<u>3,525,710</u>		<u>3,344,210</u>
			3,824,343		3,736,834
Current assets					
Stocks	13	2,231,660		1,336,095	
Debtors	14	1,578,302		2,988,217	
Investments	15	6,709		6,709	
Cash at bank and in hand		<u>4,501,955</u>		<u>2,697,885</u>	
		8,318,626		7,028,906	
Creditors					
Amounts falling due within one year	16	<u>4,202,321</u>		<u>3,297,102</u>	
Net current assets			4,116,305		3,731,804
Total assets less current liabilities			7,940,648		7,468,638
Provisions for liabilities	17		184,970		188,385
Net assets			7,755,678		7,280,253
Capital and reserves					
Called up share capital	18		52,972		52,972
Other reserves	19		64,165		64,165
Fair value reserve	19		1,524,372		1,394,026
Retained earnings	19		<u>6,114,169</u>		<u>5,769,090</u>
Shareholders' funds			7,755,678		7,280,253

The financial statements were approved by the Board of Directors and authorised for issue on 8 April 2021 and were signed on its behalf by:

D R Barker - Director

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Company Balance Sheet
31 July 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		-		-
Investments	11		186,168		209,207
Investment property	12		-		-
			<u>186,168</u>		<u>209,207</u>
Current assets					
Debtors	14	5,570,500		5,097,152	
Cash at bank		<u>615,349</u>		<u>547,701</u>	
		6,185,849		5,644,853	
Creditors					
Amounts falling due within one year	16	<u>315,894</u>		<u>243,392</u>	
Net current assets			<u>5,869,955</u>		<u>5,401,461</u>
Total assets less current liabilities			<u>6,056,123</u>		<u>5,610,668</u>
Provisions for liabilities	17		-		2,700
Net assets			<u>6,056,123</u>		<u>5,607,968</u>
Capital and reserves					
Called up share capital	18		52,972		52,972
Other reserves	19		66,027		66,027
Fair value reserve	19		-		22,154
Retained earnings	19		<u>5,937,124</u>		<u>5,466,815</u>
Shareholders' funds			<u>6,056,123</u>		<u>5,607,968</u>
Company's profit for the financial year			<u>660,044</u>		<u>268,256</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 April 2021 and were signed on its behalf by:

D R Barker - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 July 2020**

	Called up share capital £	Retained earnings £	Other reserves £	Fair value reserve £	Total equity £
Balance at 1 August 2018	52,972	5,676,685	64,165	1,375,218	7,169,040
Changes in equity					
Dividends	-	(211,889)	-	-	(211,889)
Total comprehensive income	-	304,294	-	18,808	323,102
Balance at 31 July 2019	<u>52,972</u>	<u>5,769,090</u>	<u>64,165</u>	<u>1,394,026</u>	<u>7,280,253</u>
Changes in equity					
Dividends	-	(211,889)	-	-	(211,889)
Total comprehensive income	-	556,968	-	130,346	687,314
Balance at 31 July 2020	<u>52,972</u>	<u>6,114,169</u>	<u>64,165</u>	<u>1,524,372</u>	<u>7,755,678</u>

**Company Statement of Changes in Equity
for the Year Ended 31 July 2020**

	Called up share capital £	Retained earnings £	Other reserves £	Fair value reserve £	Total equity £
Balance at 1 August 2018	52,972	5,409,813	66,027	22,788	5,551,600
Changes in equity					
Dividends	-	(211,889)	-	-	(211,889)
Total comprehensive income	-	268,891	-	(634)	268,257
Balance at 31 July 2019	<u>52,972</u>	<u>5,466,815</u>	<u>66,027</u>	<u>22,154</u>	<u>5,607,968</u>
Changes in equity					
Dividends	-	(211,889)	-	-	(211,889)
Total comprehensive income	-	682,198	-	(22,154)	660,044
Balance at 31 July 2020	<u>52,972</u>	<u>5,937,124</u>	<u>66,027</u>	<u>-</u>	<u>6,056,123</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 July 2020**

		2020 £	2019 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	2,009,878	348,053
Tax paid		(32,194)	(109,130)
Net cash from operating activities		<u>1,977,684</u>	<u>238,923</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(81,207)	(90,046)
Purchase of fixed asset investments		(1,968)	(2,209)
Sale of tangible fixed assets		1,113	14,884
Sale of fixed asset investments		90	-
Sale of investment property		117,500	110,000
Interest received		290	175
Dividends received		2,457	2,943
Net cash from investing activities		<u>38,275</u>	<u>35,747</u>
Cash flows from financing activities			
Capital repayments in year		-	(2,773)
Amount introduced by directors		-	490,000
Amount withdrawn by directors		-	(490,271)
Equity dividends paid		(211,889)	(211,889)
Net cash from financing activities		<u>(211,889)</u>	<u>(214,933)</u>
Increase in cash and cash equivalents		<u>1,804,070</u>	<u>59,737</u>
Cash and cash equivalents at beginning of year	2	2,697,885	2,638,148
Cash and cash equivalents at end of year	2	<u>4,501,955</u>	<u>2,697,885</u>

The notes on pages 14 to 27 form part of these financial statements

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 July 2020**

1. Reconciliation of profit before taxation to cash generated from operations

	2020	2019
	£	£
Profit before taxation	807,598	366,400
Depreciation charges	91,232	96,438
Loss/(profit) on disposal of fixed assets	59,724	(1,622)
Fair value adjustment	(273,993)	(119,165)
Finance income	(2,747)	(3,118)
	<u>681,814</u>	<u>338,933</u>
(Increase)/decrease in stocks	(895,565)	856,961
Decrease/(increase) in trade and other debtors	1,409,915	(1,314,438)
Increase in trade and other creditors	813,714	466,597
Cash generated from operations	<u><u>2,009,878</u></u>	<u><u>348,053</u></u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2020

	31/7/20	1/8/19
	£	£
Cash and cash equivalents	<u>4,501,955</u>	<u>2,697,885</u>

Year ended 31 July 2019

	31/7/19	1/8/18
	£	£
Cash and cash equivalents	<u>2,697,885</u>	<u>2,638,148</u>

3. Analysis of changes in net funds

	At 1/8/19	Cash flow	At 31/7/20
	£	£	£
Net cash			
Cash at bank and in hand	<u>2,697,885</u>	<u>1,804,070</u>	<u>4,501,955</u>
	<u>2,697,885</u>	<u>1,804,070</u>	<u>4,501,955</u>
Liquid resources			
Current asset investments	<u>6,709</u>	<u>-</u>	<u>6,709</u>
	<u>6,709</u>	<u>-</u>	<u>6,709</u>
Total	<u><u>2,704,594</u></u>	<u><u>1,804,070</u></u>	<u><u>4,508,664</u></u>

The notes on pages 14 to 27 form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31 July 2020**

1. Statutory information

Leck Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. Statement of compliance

The Group and individual financial statements of Leck Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Towards the end of the financial year the coronavirus epidemic has arisen. Whilst it is not possible to accurately predict the ultimate impact of COVID-19 we believe that the company is in a better position than many to trade through the situation. Leck Group and its subsidiaries are in industries where there is still demand and the group has sufficient reserves, combined with its costs saving plan and use of available governmental assistance, to continue trading, albeit at a lower level for the immediate future, until normality returns.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2020.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are not considered to be any critical judgements in applying the company's accounting policies.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities within the next financial year are addressed below.

(i) Provisions

Provision is made for work which has been undertaken by sub-contractors during the year but not invoiced at the year end. This provision requires management's best estimate of these costs.

Turnover

Turnover comprises completed sales and the value of contracting work performed which includes attributable profit in respect of long term contracts.

Profit is recognised on long-term contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related cost as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

3. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost or valuation
Plant and machinery	- 20% straight line and 20% on reducing balance
Motor vehicles	- 33% on reducing balance and 25% on reducing balance

Freehold land and buildings are stated at deemed cost for assets held at the date of transition to FRS102 less accumulated depreciation and accumulated impairment losses.

Government grants

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching to the grant and the grant will be received.

For the monthly Job Retention Scheme grant income, the income will be recognised in the period to which the underlying furloughed staff costs relate to.

Investment properties

Investment property is shown at fair value. Any aggregate surplus or deficit arising from changes in market value is charged or credited to the profit and loss account and then transferred to a non-distributable reserve.

Although this accounting policy is in accordance with FRS 102 it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view.

Stocks

Stocks of raw materials and land for resale are valued at the lower of cost and net realisable value. Short term contracts and developments included in work in progress are valued at the lower of direct cost and net realisable value and after deducting progress payments received.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

3. Accounting policies - continued

Hire purchase and leasing commitments

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Investments

Investments are stated at fair value, with the exception of subsidiary companies which are stated at cost less provisions.

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

There are no assets which are initially measured at fair value.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

4. Turnover

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Construction services	12,828,365	9,799,814
Sale of development properties	900,180	1,389,674
	<u>13,728,545</u>	<u>11,189,488</u>

5. Employees and directors

	2020	2019
	£	£
Wages and salaries	2,725,573	2,318,814
Social security costs	286,420	234,751
Other pension costs	239,560	161,307
	<u>3,251,553</u>	<u>2,714,872</u>

The average number of employees during the year was as follows:

	2020	2019
Office and management	18	19
Construction	57	49
	<u>75</u>	<u>68</u>

	2020	2019
	£	£
Directors' remuneration	171,889	163,043
Directors' pension contributions to money purchase schemes	62,000	56,000

The number of directors to whom retirement benefits were accruing was as follows:

	2020	2019
Money purchase schemes	<u>1</u>	<u>1</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

6. Operating profit

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Purchases - Plant hire	303,179	225,788
Depreciation - owned assets	91,232	96,438
Loss/(profit) on disposal of fixed assets	59,724	(1,622)
Auditors' remuneration	16,400	18,505
Taxation compliance services	250	250
Other non- audit services	250	250
Income from other investments (listed)	(1,968)	(2,208)
Rent receivable	(250,113)	(308,588)
Fair value adjustment	(273,993)	(119,165)
Grant income	(288,397)	<u>-</u>

£10,300 (2019 - £10,300) of the fee for auditing the financial statements relates to the company.

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	123,699	36,638
Deferred tax	(3,415)	6,660
Tax on profit	<u>120,284</u>	<u>43,298</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>807,598</u>	<u>366,400</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	153,444	69,616
Effects of:		
Expenses not deductible for tax purposes	14,842	(7,750)
Income not taxable for tax purposes	(1,361)	(762)
Capital allowances in excess of depreciation	(2,515)	(1,518)
(Profit)/loss on disposal of fixed asset	11,348	(308)
Deferred tax	(3,415)	6,660
Fair value adjustment	(52,059)	(22,640)
Total tax charge	<u>120,284</u>	<u>43,298</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

8. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. Dividends

	2020 £	2019 £
Ordinary shares of £0.05 each		
Interim	<u>211,889</u>	<u>211,889</u>

10. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Cost or valuation				
At 1 August 2019	90,071	1,065,954	487,378	1,643,403
Additions	-	48,240	32,967	81,207
Disposals	-	(750,007)	(156,364)	(906,371)
At 31 July 2020	<u>90,071</u>	<u>364,187</u>	<u>363,981</u>	<u>818,239</u>
Depreciation				
At 1 August 2019	48,170	929,002	316,705	1,293,877
Charge for year	1,710	32,210	57,312	91,232
Eliminated on disposal	-	(733,205)	(112,329)	(845,534)
At 31 July 2020	<u>49,880</u>	<u>228,007</u>	<u>261,688</u>	<u>539,575</u>
Net book value				
At 31 July 2020	<u>40,191</u>	<u>136,180</u>	<u>102,293</u>	<u>278,664</u>
At 31 July 2019	<u>41,901</u>	<u>136,952</u>	<u>170,673</u>	<u>349,526</u>

Cost or valuation at 31 July 2020 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 1976	16,405	-	-	16,405
Cost	<u>73,666</u>	<u>364,187</u>	<u>363,981</u>	<u>801,834</u>
	<u>90,071</u>	<u>364,187</u>	<u>363,981</u>	<u>818,239</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

10. Tangible fixed assets - continued

Group

If freehold properties had not been revalued they would have been included at the following historical cost:

	2020	2019
	£	£
Cost	73,666	73,666
Aggregate depreciation	<u>34,937</u>	<u>34,937</u>

Certain freehold properties were valued on an open market basis on 31 July 1976 by professional valuers .

The group applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from valuation date.

11. Fixed asset investments

Group

	Listed investments £	Unlisted investments £	Totals £
Cost or valuation			
At 1 August 2019	41,779	3,383	45,162
Additions	1,968	-	1,968
Disposals	-	(90)	(90)
Fair value adjustment	(25,007)	-	(25,007)
At 31 July 2020	<u>18,740</u>	<u>3,293</u>	<u>22,033</u>
Provisions			
At 1 August 2019 and 31 July 2020	-	2,064	2,064
Net book value			
At 31 July 2020	<u>18,740</u>	<u>1,229</u>	<u>19,969</u>
At 31 July 2019	<u>41,779</u>	<u>1,319</u>	<u>43,098</u>

Cost or valuation at 31 July 2020 is represented by:

	Listed investments £	Unlisted investments £	Totals £
Valuation in 2020	(153)	-	(153)
Cost	<u>18,893</u>	<u>3,293</u>	<u>22,186</u>
	<u>18,740</u>	<u>3,293</u>	<u>22,033</u>

Listed investments are financial assets measured at fair value through profit and loss. The fair value was determined by reference to the share prices as at 31 July 2020. Unlisted investments are included at cost less impairment as this is not materially different from the fair value.

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

11. Fixed asset investments - continued

Company

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
Cost or valuation				
At 1 August 2019	284,808	41,779	2,064	328,651
Additions	-	1,968	-	1,968
Fair value adjustment	-	(25,007)	-	(25,007)
At 31 July 2020	<u>284,808</u>	<u>18,740</u>	<u>2,064</u>	<u>305,612</u>
Provisions				
At 1 August 2019 and 31 July 2020	<u>117,380</u>	-	<u>2,064</u>	<u>119,444</u>
Net book value				
At 31 July 2020	<u>167,428</u>	<u>18,740</u>	-	<u>186,168</u>
At 31 July 2019	<u>167,428</u>	<u>41,779</u>	-	<u>209,207</u>

Cost or valuation at 31 July 2020 is represented by:

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
Valuation in 2020	-	(153)	-	(153)
Cost	<u>284,808</u>	<u>18,893</u>	<u>2,064</u>	<u>305,765</u>
	<u>284,808</u>	<u>18,740</u>	<u>2,064</u>	<u>305,612</u>

Listed investments are financial assets measured at fair value through profit and loss. The fair value was determined by reference to the share prices as at 31 July 2020. Unlisted investments are included at cost less impairment as this is not materially different from the fair value.

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Leck Construction Limited

Registered office: Ironworks Road, Barrow In Furness, LA14 2PQ

Nature of business: Building contractors and property developers

Class of shares:	%
Ordinary	holding 100.00

J A Payne Limited

Registered office: 80 Deansgate Lane, Timperley, Altrincham, Cheshire, WA14 1SP

Nature of business: Investment in property and property developers

Class of shares:	%
Ordinary	holding 100.00

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

Notes to the Consolidated Financial Statements - continued for the Year Ended 31 July 2020

11. Fixed asset investments - continued

Thirlcrest Limited

Registered office: 80 Deansgate Lane, Timperley, Altrincham, Cheshire, WA14 1SP

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Handforce Limited

Registered office: 80 Deansgate Lane, Timperley, Altrincham, Cheshire, WA14 1SP

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

John Westall Limited

Registered office: 80 Deansgate Lane, Timperley, Altrincham, Cheshire, WA14 1SP

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Chaddock Homes Limited

Registered office: 80 Deansgate Lane, Timperley, Altrincham, Cheshire, WA14 1SP

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

12. Investment property

Group

	Total £
Fair value	
At 1 August 2019	3,344,210
Disposals	(117,500)
Fair value adjustment	299,000
At 31 July 2020	<u>3,525,710</u>
Net book value	
At 31 July 2020	<u>3,525,710</u>
At 31 July 2019	<u>3,344,210</u>

Fair value at 31 July 2020 is represented by:

	£
Valuation in 2020	1,366,780
Cost	<u>2,158,930</u>
	<u>3,525,710</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

12. Investment property - continued

Group

If investment properties had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>2,158,930</u>	<u>2,197,930</u>
Aggregate depreciation	<u>(22,539)</u>	<u>(22,539)</u>

Investment properties were valued on an open market basis on 31 July 2020 by the directors .

Investment properties consist of freehold property £2,871,950 (2019 - £2,872,950) and long leasehold property £653,760 (2019 - £471,260).

13. Stocks

	Group	
	2020 £	2019 £
Raw materials	34,209	35,364
Short term contracts	163,136	142,014
Developments	1,767,238	1,090,504
Land	338,036	100,863
Payments on account	<u>(70,959)</u>	<u>(32,650)</u>
	<u>2,231,660</u>	<u>1,336,095</u>

14. Debtors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	15,207	31,659	-	-
Amounts owed by group undertakings	-	-	5,570,229	5,096,881
Amounts recoverable on contracts	1,265,813	2,563,757	-	-
Other debtors	244,594	353,123	-	-
Directors' current accounts	271	271	271	271
Prepayments and accrued income	52,417	39,407	-	-
	<u>1,578,302</u>	<u>2,988,217</u>	<u>5,570,500</u>	<u>5,097,152</u>

Trade debtors are stated after provisions for bad debts of £11,517 (2019 - £11,482).

15. Current asset investments

	Group	
	2020 £	2019 £
Other investments	<u>6,709</u>	<u>6,709</u>

Investments consist of cash deposits with financial institutions.

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

16. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Payments on account	-	20,000	-	-
Trade creditors	2,741,923	2,347,308	-	-
Amounts owed to group undertakings	-	-	102,444	102,444
Corporation tax	128,143	36,638	28,291	6,423
Social security and other taxes	103,480	73,706	11,852	12,342
VAT	-	6,193	-	-
Other creditors	862,210	598,460	91,600	91,285
Accruals and deferred income	366,565	214,797	81,707	30,898
	<u>4,202,321</u>	<u>3,297,102</u>	<u>315,894</u>	<u>243,392</u>

Included in trade creditors at year end were provisions of £640,254 (2019 - £965,978).

17. Provisions for liabilities

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred tax				
Fair value adjustments	137,000	131,700	-	2,700
Other timing differences	10,210	18,925	-	-
	<u>147,210</u>	<u>150,625</u>	<u>-</u>	<u>2,700</u>
Other provisions	<u>37,760</u>	<u>37,760</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>184,970</u>	<u>188,385</u>	<u>-</u>	<u>2,700</u>

Group

	Deferred tax	Other provisions
	£	£
Balance at 1 August 2019	150,625	37,760
Credit to Statement of Comprehensive Income during year	(3,415)	-
Balance at 31 July 2020	<u>147,210</u>	<u>37,760</u>

Company

	Deferred tax
	£
Balance at 1 August 2019	2,700
Credit to Income Statement during year	(2,700)
Balance at 31 July 2020	<u>-</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

17. Provisions for liabilities - continued

The deferred tax expected to reverse in the next 12 months is not material.

Other provisions represent the estimated cost of completing a road prior to adoption by the local authority.

18. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
1,059,444	Ordinary	£0.05	<u>52,972</u>	<u>52,972</u>

19. Reserves

Group

	Retained earnings	Other reserves	Fair value reserve	Totals
	£	£	£	£
At 1 August 2019	5,769,090	64,165	1,394,026	7,227,281
Profit for the year	687,314	-	-	687,314
Dividends	(211,889)	-	-	(211,889)
Fair value transfer	(216,846)	-	216,846	-
Deferred tax	8,000	-	(8,000)	-
Transfer of realised profit	78,500	-	(78,500)	-
At 31 July 2020	<u>6,114,169</u>	<u>64,165</u>	<u>1,524,372</u>	<u>7,702,706</u>

Company

	Retained earnings	Other reserves	Fair value reserve	Totals
	£	£	£	£
At 1 August 2019	5,466,815	66,027	22,154	5,554,996
Profit for the year	660,044	-	-	660,044
Dividends	(211,889)	-	-	(211,889)
Fair value transfer	22,154	-	(22,154)	-
At 31 July 2020	<u>5,937,124</u>	<u>66,027</u>	<u>-</u>	<u>6,003,151</u>

LECK GROUP LIMITED (REGISTERED NUMBER: 00206159)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

19. Reserves - continued

Group

The other reserves relates to:

Capital redemption reserve

Balance at 1 August 2019 and 31 July 2020	£	<u>62,027</u>
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Discount arising on acquisition of subsidiary

Balance at 1 August 2019 and 31 July 2020	£	<u>2,138</u>
The cumulative amount of goodwill written off amounts to £81,103 (2019 - £81,103).		

Company

The other reserves relates to:

Capital redemption reserve

Balance at 1 August 2019 and 31 July 2020	£	<u>62,027</u>
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Acquisition reserve arising from allotment of shares under Section 131 Companies Act 1985

Balance at 1 August 2019 and 31 July 2020	£	<u>4,000</u>
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20. Pension commitments

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £99,060 (2019 - £161,307).

Contributions totalling £154,557 (2019 - £39,823) were payable to the scheme at the year end and are included in other creditors.

21. Contingent liabilities

The group has contingent liabilities in respect of contract bonds which at 31 July 2020 amounted to £390,909 (2019 - £390,909).

22. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31 July 2020 and 31 July 2019:

	£	£	2020	2019
Balance outstanding at the start of year			271	-
Amounts advanced			-	490,271
Amounts repaid			-	(490,000)
Balance outstanding at the end of the year			<u>271</u>	<u>271</u>

Interest was charged at an annual rate of 2.5% on the above loan.

During the year the directors received dividends of £208,077 (2019 - £208,059).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 July 2020**

23. Related party disclosures

Key Management Personnel are considered to be the directors of the company and their remuneration is disclosed in note 5.

24. Ultimate controlling party

The company is controlled by V and C M Barker, both of whom are directors of the company, and who own 89% of the called up share capital.

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