

Company Registration No. 04818214 (England and Wales)

Lawsons Holdings Limited

**Annual report and
group financial statements
for the year ended 30 June 2021**

Lawsons Holdings Limited

Company information

Directors	John Lawson Simon Lawson Paul Benton Jeremy Norris Paul Rushent Emrys Griffiths
Secretary	Paul Rushent
Company number	04818214
Registered office	Tyttenhanger Farm Coursers Road Colney Heath Hertfordshire AL4 0PG
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Barclays Bank plc Floor 27 1 Churchill Place London E14 5HP

Lawsons Holdings Limited

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Lawsons Holdings Limited

Strategic report

For the year ended 30 June 2021

The directors present the strategic report for the year ended 30 June 2021.

Strategy and business model

The Group's principal activity is the sale and distribution of timber, landscaping and building products to trade and retail customers across the South-East of England through its 31 branch network and online sales. The Group consists of 17 Lawsons branches, 12 AVS branches, and 2 branches that trade as Hertfordshire Timber and Building Supplies and Southill Sawmills.

The group's strategy is to increase its geographical coverage across the South East by the acquisition of additional branches or opening new green field sites. Our intention is to continue to increase our branch network in both the Lawsons and AVS brands.

Fair review of the business

The year ended 30 June 2021 saw significant growth in both turnover and profitability as well as the continued investment in staff. EBITDA increased by £10.4m to £22.9m (2021: £12.5m). The Directors believe this to be an outstanding result in a year that has presented many difficult challenges including the Covid-19 pandemic, product supply shortages as well as managing rapid increases in the cost of timber-based products and uncertain economic conditions.

The group completed the acquisition of 100% of the share capital of AVS Group Holdings Limited (AVS) on the 17 February 2020 and therefore, a full year's trading results are included in the results for year ended 30 June 2021. AVS acquired Bell Davis Limited in November 2020 and opened a greenfield site in Ashford in March 2021. After the year-end we acquired a larger site for AVS Peterborough which will open in Spring 2022.

The Lawsons Group acquired Hertfordshire Timber and Building Supplies Limited (HTBS) and its subsidiary company, Southill Sawmills Limited (SSL) on 26 February 2021. Lawsons opened a new branch in Sidcup in April 2021 and purchased additional land to double the size of the Crawley branch during the year.

All acquired companies have traded well since acquisition. The integration process is well underway and will be completed during the next financial year.

After the year end, AVS, HTBS and SSL transferred their assets and liabilities to Lawsons (Whetstone) Limited as part of our integration program, which will make the Group more efficient in many ways. The Group will continue to trade using the separate AVS, HTBS and SSL brands.

The Lawsons Group have followed all government guidelines throughout the Covid-19 pandemic and have remained open throughout. The safety of our staff, customers and suppliers has been of paramount importance throughout the pandemic and will continue to be our primary consideration.

The Group is committed to tackling climate change and we are making positive steps to reduce our own emissions. We are moving to electric company cars and plant wherever possible.

The Group donates a significant amount to local charities and help ex-offenders back in to work.

Lawsons Holdings Limited

Strategic report (continued)

For the year ended 30 June 2021

Fair review of the business (continued)

The results noted below include the trading of acquisitions from the date from which they were acquired:

Sales increased by £50m to £156m (2020: £106m) which was aided by material price inflation and the inclusion of a full year of AVS trading and part of the years trading for acquisitions made during the current year.

Gross profit generated was £58.8m, an increase on the prior year and the gross margin percentage was relatively stable at 37.64% (2020: 38.00%).

Combined distribution and administrative expenses were controlled but increased by £8.5m compared to the prior year. This was mainly driven by increases in headcount to support the growth in turnover.

Profit before tax increased by £10.0m to £18.4m (2020: £8.4m).

The Balance Sheet net assets continue to grow year on year, with net assets increasing to £76.5m as at 30 June 2021. Cash at bank increased to £26.1m (2020:£19.2m). The net cash position of the Group, after deducting loans and HP liabilities, increased to £14.0m.

We expect to complete further acquisitions during the next financial year. Lawsons will only acquire businesses where we are confident that we can add value and enhance trading results over the medium term.

On behalf of the Board, I would like to thank all colleagues for their effort and commitment in a most challenging but hugely busy and profitable year. We are extremely proud of their attitude shown during these difficult times.

Post balance sheet events

After the balance sheet the trades of AVS, HTBS and SSL were merged into Lawsons (Whetstone) Limited. The Group has continued to trade successfully since the balance sheet date. Since the year end the Group has completed three acquisitions which are in accordance with the Group's strategy to increase its geographical coverage.

Principal risks and uncertainties

The group's operations expose it to a variety of financial risks which include credit risk, interest rate risk, liquidity risk and foreign exchange risk. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the directors are implemented by the Finance department and include robust and effective risk management policies which are firmly embedded within the business.

Credit risk is managed by appropriate credit checks being carried out on all customers before any credit is provided. We also receive monitoring reports from two credit agencies that we subscribe to. These aid us in regularly monitor and reviewing our customer credit limits. The amount of exposure to any individual counterparty is subject to limits set by the directors and is carefully monitored.

Liquidity risk, interest rate risk and foreign exchange risk, whilst being carefully managed by the Finance department, are not considered to be significant at this time.

Lawsons Holdings Limited**Strategic report (continued)****For the year ended 30 June 2021**

Key performance indicators

The group sees its two main key performance indicators as sales and sales margin. The directors' analysis of the outturn based on these key performance indicators is that the group has performed satisfactorily both in terms of the prior years' results and expectations against budget.

	2021	2020	2019
	£	£	£
Turnover	156,242,598	106,283,256	97,463,886
Gross profit	59,004,815	40,390,451	35,089,473
Gross profit %	37.76%	38.00%	36.00%
Net profit before taxation	18,362,725	8,359,913	6,715,284
Net profit before taxation %	11.75%	7.87%	6.89%
Net profit before staff profit sharing, staff and family events, charitable donations and taxation	21,761,564	9,419,766	7,698,909
Net profit before staff profit sharing, staff and family events, charitable donations and taxation %	13.93%	8.86%	7.90%
Net assets	76,505,294	62,104,560	55,624,963

Section 172(1) statement

The group identifies its primary stakeholders as its customers, suppliers, staff and shareholders. During the year the group has directly engaged with all primary stakeholders and has continued to build strong relationships. The group looks to play an active part in the communities where branches are based and seeks always to minimise the environmental impact of its activities.

Lawsons Holdings Limited

Strategic report (continued)

For the year ended 30 June 2021

Matters of strategic importance

The group's principal aim is to look after, train and develop our staff, whilst making a profit, minimising our environmental impact and giving back to the community. The health and wellbeing of its staff is of paramount importance to the directors. The group offers its staff many health related benefits and support mechanisms. Several staff have been trained as Mental First Aid Advisors to provide support and assistance to other members of staff.

The directors guiding principal is to have regard for people, whether that be staff, customers or suppliers because they are the driving force of every business.

The group continues to invest heavily in improvements to our branch network which will facilitate organic growth over the coming years. We also aim to add further branches to our network either by acquisition of existing builders/timber merchants or by new greenfield sites. The group's gearing is very low which will enable further investment.

Each year a percentage of profits is distributed to staff with all qualifying employees receiving a share. The profit share is directly linked to the performance of the group. It only becomes payable when group profit earned exceeds a pre-agreed threshold.

Charitable donations of £198,839 were made during the year (2020: £169,772).

Staff involvement

The group looks after and involves staff in a number of ways which promotes loyalty, staff retention and a good work ethic. This includes Values Lunches (on hold this year due to Covid-19), where staff meet and have lunch with the Chairman, inclusion in the profit share scheme, family days, assisting staff who have financial difficulties or health problems, staff newsletters, and staff suggestions schemes. The directors operate an open-door policy and visit branches regularly to ensure staff are fully engaged and kept updated and have the opportunity to raise questions and make suggestions. The group invests a great deal in staff training and development, with all job vacancies posted internally.

Values

Lawsons is built upon Family Values and Professional service, where putting people before profit, is one of the values which Lawsons is committed to. It aims to provide a safe, happy and productive environment for its staff, being a contributor to the wider community – whilst still maintaining professional service to customers. These are all key parts by which Lawsons measure success. We also aim to operate in an environmentally friendly manner, purchased the UK's first electric forklift truck and have since made additional purchases. Our Eco- Truck continues to operate out of the Camden branch. Staff are actively encouraged to run electric cars, with charging points currently available at our Colney Heath, Romford and Camden sites and plans to install further charging points over the next year in our larger branches.

See <https://www.lawsons.co.uk/lawsons-profile> for more information.

On behalf of the board

Jeremy Norris

Director

21 March 2022

Lawsons Holdings Limited

Directors' report

For the year ended 30 June 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company and group continued to be that of timber and building merchants.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

John Lawson

Simon Lawson

Paul Benton

Jeremy Norris

Paul Rushent

Emrys Griffiths

(Appointed 28 September 2021)

Results and dividends

The results for the year are set out on page 15.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Lawsons Holdings Limited

Directors' report (continued)

For the year ended 30 June 2021

Streamlined Energy and Carbon Report

Reporting Methodology

We have followed the March 2019 HM Government Environmental Reporting Guidelines.

As per the Greenhouse Gas (GHG) Protocol we have reported as follows.

- Scope 1 (direct emissions) emissions are those from activities owned or controlled by your organisation. These include emissions from combustion in owned or controlled boilers, furnaces and vehicles.
- Scope 2 (energy indirect) emissions are those released into the atmosphere that are associated our consumption of purchased electricity.
- Scope 3 (other indirect) emissions are from business travel by any means that are not owned by our organisation.

Emissions are calculated using the UK Government GHG Conversion Factors for Company Reporting 2021.

Data estimates

We have used the information from fuel invoices, diesel prices and miles travelled to determine energy consumption and CO2 emissions from our vehicles. Data has been collected from gas and electricity bills together with other invoices paid to establish energy consumption.

UK Greenhouse Gas emissions and energy use data	2021	2020
Total energy consumption used to calculate emissions (kWh)	17,767,154	12,955,675
<u>Carbon Dioxide Equivalent (CO2e) Tonnes</u>		
<u>Scope 1</u>		
Emissions from the combustion of fuel for distribution	3,757	2,740
Emissions from the combustion of fuel for business travel in company cars	116	85
Emissions from the combustion of gas/oil	33	24
<u>Scope 2</u>		
Emissions from purchased electricity	316	230
<u>Scope 3</u>		
Emissions from business travel	9	7
Total CO2e Tonnes	4,231	3,085
Intensity ratio		
Tonnes of CO2e per million pounds of sales	27.3	19.9
Total energy consumption (kWh) as a percentage of Group turnover is 11.5% (2020: 12.2%).		

Lawsons Holdings Limited

Directors' report (continued)

For the year ended 30 June 2021

It should be noted that the 2021 figures include a full year of emissions for AVS Fencing Supplies Ltd, acquired in February 2020 (2020: 4.5 months) and 4 months of emissions for Hertfordshire Timber and Building Supplies Limited (2020: nil).

Energy Efficiency Actions

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it is cost effective. We have implemented the policies below for the purposes of increasing the energy efficiency in the current and prior financial year:

- Introduction of smart meters at multiple sites
- Continued upgrading lighting to LED in offices and in yards
- Increased the use of video conferencing
- Reduced travel costs by reducing the number of face-to-face meetings, between staff, clients and suppliers
- Removal of fuel cards with movement to cash allowances or expenses
- All company cars coming up for replacement moving to full electric
- Electric vehicle charging points have been installed various sites
- The number of electric fork-lifts used by the company has increased
- We have taken on an additional fleet of vans in the company, to allow branches to make more effective and appropriate choices on the type of vehicle used to complete a delivery
- Introduced a partnered overnight courier service for small packages/long distances and bulk interbranch paperwork
- Transport staff are trained to control vehicles in an energy efficiency way, reducing braking and efficient gear changes, improving mpg

The following energy efficiency measures are under consideration for implementation during 2021/22:

- Finish updating all meters to smart meters
- Continue lighting replacement with LEDs
- Implement ESOS phase 2 findings where appropriate
- Additional electrical plant, replacing remaining diesel plant where possible
- Updating cranes on lorries to electric, which will enable vehicles to be turned off, improving mpg
- Remaining branches to have vehicle electric charging points
- The Group is currently investigating the opportunity to use hydro treated vegetable oil fuel as an alternative fuel source in the coming year for diesel engines

Lawsons Holdings Limited

Directors' report (continued)
For the year ended 30 June 2021

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

By order of the board

Paul Rushent

Secretary

21 March 2022

Lawsons Holdings Limited

Directors' responsibilities statement For the year ended 30 June 2021

The directors are responsible for preparing the Annual 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 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Lawsons Holdings Limited

Independent auditor's report

To the members of Lawsons Holdings Limited

Opinion

We have audited the financial statements of Lawson Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 and of the parent company's affairs as at 30 June 2021 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Lawsons Holdings Limited

Independent auditor's report (continued)

To the members of Lawsons Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, 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 group 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 parent 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 group and parent company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Lawsons Holdings Limited

Independent auditor's report (continued)

To the members of Lawsons Holdings Limited

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditors 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Di Leto (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

23 March 2022

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Lawsons Holdings Limited**Group statement of comprehensive income
For the year ended 30 June 2021**

		2021	2020
	Notes	£	£
Turnover	3	156,242,598	106,283,256
Cost of sales		(97,237,783)	(65,892,805)
Gross profit		<u>59,004,815</u>	<u>40,390,451</u>
Distribution costs		(2,877,223)	(2,606,384)
Administrative expenses		(37,451,055)	(29,111,348)
Operating profit	4	<u>18,676,537</u>	<u>8,672,719</u>
Interest receivable and similar income		8,633	18,052
Interest payable and similar expenses	8	(317,147)	(325,560)
Other gains and losses		(5,298)	(5,298)
Profit before taxation		<u>18,362,725</u>	<u>8,359,913</u>
Tax on profit	9	(3,961,991)	(1,880,316)
Profit for the financial year		<u><u>14,400,734</u></u>	<u><u>6,479,597</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The income statement has been prepared on the basis that all operations are continuing operations.

Lawsons Holdings Limited

Group statement of financial position

As at 30 June 2021

			2021	2020
	Notes	£	£	£
Fixed assets				
Goodwill	10	12,050,453		10,205,490
Tangible assets	11	54,196,326		48,236,311
Investments	13	29,091		33,089
			<u>66,275,870</u>	<u>58,474,890</u>
Current assets				
Stocks	15	16,287,755	11,037,316	
Debtors	16	17,287,922	11,697,298	
Cash at bank and in hand		26,134,045	19,226,221	
			<u>59,709,722</u>	<u>41,960,835</u>
Creditors: amounts falling due within one year	17	<u>(36,801,528)</u>	<u>(26,009,607)</u>	
Net current assets			<u>22,908,194</u>	<u>15,951,228</u>
Total assets less current liabilities			<u>89,184,064</u>	<u>74,426,118</u>
Creditors: amounts falling due after more than one year	18	(11,211,243)		(11,056,159)
Provisions for liabilities	21	(1,467,527)		(1,265,399)
Net assets			<u><u>76,505,294</u></u>	<u><u>62,104,560</u></u>
Capital and reserves				
Called up share capital	23	500,000		500,000
Share premium account		4,550,000		4,550,000
Fair value reserve		5,851,405		5,851,405
Capital redemption reserve		250,000		250,000
Profit and loss reserves		65,353,889		50,953,155
Total equity			<u><u>76,505,294</u></u>	<u><u>62,104,560</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21 March 2022 and are signed on its behalf by:

Paul Rushent
Director

Lawsons Holdings Limited

**Company statement of financial position
As at 30 June 2021**

			2021	2020
	Notes	£	£	£
Fixed assets				
Tangible assets	11		3,197,839	1,537,357
Investment properties	12		43,862,188	40,714,995
Investments	13		16,358,942	13,949,705
			<u>63,418,969</u>	<u>56,202,057</u>
Current assets				
Debtors	16	2,566,362	2,006,292	
Cash at bank and in hand		187,997	219,975	
		<u>2,754,359</u>	<u>2,226,267</u>	
Creditors: amounts falling due within one year	17	(30,362,297)	(16,217,258)	
Net current liabilities			<u>(27,607,938)</u>	<u>(13,990,991)</u>
Total assets less current liabilities			<u>35,811,031</u>	<u>42,211,066</u>
Creditors: amounts falling due after more than one year	18	(8,525,000)	(9,625,000)	
Provisions for liabilities	21	(689,000)	(689,000)	
Net assets			<u>26,597,031</u>	<u>31,897,066</u>
Capital and reserves				
Called up share capital	23	500,000	500,000	
Share premium account		4,550,000	4,550,000	
Fair value reserve		3,798,342	3,798,342	
Profit and loss reserves		17,748,689	23,048,724	
Total equity			<u>26,597,031</u>	<u>31,897,066</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £5,300,035 (2020: £1,099,343).

The financial statements were approved by the board of directors and authorised for issue on 21 March 2022 and are signed on its behalf by:

Paul Rushent

Director

Company Registration No. 04818214

Lawsons Holdings Limited

Group statement of changes in equity
For the year ended 30 June 2021

	Share capital	Share premium account	Fair value reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 July 2019	500,000	4,550,000	5,851,405	250,000	44,473,558	55,624,963
Year ended 30 June 2020:						
Profit and total comprehensive income for the year	-	-	-	-	6,479,597	6,479,597
Balance at 30 June 2020	500,000	4,550,000	5,851,405	250,000	50,953,155	62,104,560
Year ended 30 June 2021:						
Profit and total comprehensive income for the year	-	-	-	-	14,400,734	14,400,734
Balance at 30 June 2021	500,000	4,550,000	5,851,405	250,000	65,353,889	76,505,294

Lawsons Holdings Limited

Company statement of changes in equity
For the year ended 30 June 2021

	Share capital	Share premium account	Fair value reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 2019	500,000	4,550,000	3,798,342	24,148,067	32,996,409
Year ended 30 June 2020:					
Loss and total comprehensive income for the year	-	-	-	(1,099,343)	(1,099,343)
Balance at 30 June 2020	500,000	4,550,000	3,798,342	23,048,724	31,897,066
Year ended 30 June 2021:					
Loss and total comprehensive income for the year	-	-	-	(5,300,035)	(5,300,035)
Balance at 30 June 2021	500,000	4,550,000	3,798,342	17,748,689	26,597,031

Lawsons Holdings Limited

Group statement of cash flows
For the year ended 30 June 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	27	21,213,481	20,161,079
Interest paid		(317,147)	(325,560)
Income taxes paid		(2,545,726)	(1,127,689)
Net cash inflow from operating activities		18,350,608	18,707,830
Investing activities			
Purchase of subsidiaries		(5,254,028)	(9,515,872)
Cash acquired on purchase of subsidiaries		1,780,006	869,080
Purchase of intangible assets		(425,794)	-
Purchase of tangible fixed assets		(6,228,053)	(11,586,819)
Proceeds on disposal of tangible fixed assets		75,280	8,214,171
Interest received		8,633	18,052
Net cash used in investing activities		(10,043,956)	(12,001,388)
Financing activities			
Proceeds of new bank loans		-	8,325,000
Repayment of bank loans		(1,100,000)	-
Payment of finance leases obligations		(298,828)	(117,222)
Net cash (used in)/generated from financing activities		(1,398,828)	8,207,778
Net increase in cash and cash equivalents		6,907,824	14,914,220
Cash and cash equivalents at beginning of year		19,226,221	4,312,001
Cash and cash equivalents at end of year		26,134,045	19,226,221

Lawsons Holdings Limited

Company statement of cash flows
For the year ended 30 June 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	28	11,651,289	3,118,911
Interest paid		(263,791)	(276,243)
Income taxes paid		-	(187,568)
Net cash inflow from operating activities		<u>11,387,498</u>	<u>2,655,100</u>
Investing activities			
Purchase of tangible fixed assets		(1,909,514)	(295,418)
Purchase of investment property		(3,155,934)	(9,097,123)
Proceeds on disposal of investment property		-	8,115,904
Purchase of subsidiaries		(5,254,028)	(9,515,872)
Net cash used in investing activities		<u>(10,319,476)</u>	<u>(10,792,509)</u>
Financing activities			
Repayment of bank loans		(1,100,000)	8,325,000
Net cash (used in)/generated from financing activities		<u>(1,100,000)</u>	<u>8,325,000</u>
Net (decrease)/increase in cash and cash equivalents		<u>(31,978)</u>	<u>187,591</u>
Cash and cash equivalents at beginning of year		219,975	32,384
Cash and cash equivalents at end of year		<u><u>187,997</u></u>	<u><u>219,975</u></u>

Lawsons Holdings Limited

Notes to the group financial statements For the year ended 30 June 2021

1 Accounting policies

Company information

Lawson Holdings Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Tyttenhanger Farm, Coursers Road, Colney Heath, Hertfordshire, AL4 0PG.

The group consists of Lawson Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies (continued)

1.3 Basis of consolidation

The group financial statements incorporate those of Lawsons Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This expectation has included consideration of the impact of the Coronavirus pandemic on the group, and its going concern position. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (continued)

1.6 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings/trade and assets etc. represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5% straight line
Leasehold land and buildings	5% straight line or over the term of the lease if shorter
Plant and equipment	20% - 25% straight line
Fixtures and fittings	10% straight line
Computer equipment	33% straight line
Motor vehicles	16.7% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1 Accounting policies (continued)

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1 Accounting policies (continued)

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

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

1 Accounting policies (continued)

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Notes to the group financial statements (continued)
For the year ended 30 June 2021

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock provisioning

The group sells timber and building products which is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. See note 15 for the net carrying amount of the inventory.

Recoverability of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit rating of debtors, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of debtors.

3 Turnover and other revenue

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods	156,242,598	106,283,256
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Interest income	8,633	18,052
	<u> </u>	<u> </u>

Lawsons Holdings Limited**Notes to the group financial statements (continued)****For the year ended 30 June 2021****4 Operating profit**

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	2,718,830	2,557,992
Depreciation of tangible fixed assets held under finance leases	352,577	79,726
(Profit)/loss on disposal of tangible fixed assets	(11,433)	747,733
Amortisation of intangible assets	1,175,193	397,617
Operating lease charges	1,373,013	1,475,023
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the group and company	20,000	20,000
Audit of the financial statements of the company's subsidiaries	78,500	61,500
	<u> </u>	<u> </u>
	98,500	81,500
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	12,500	8,500
Services relating to corporate finance transactions	52,500	64,500
All other non-audit services	35,050	26,095
	<u> </u>	<u> </u>
	100,050	99,095
	<u> </u>	<u> </u>

Lawsons Holdings Limited**Notes to the group financial statements (continued)**
For the year ended 30 June 2021**6 Employees**

The average monthly number of persons (including directors) employed by the group during the year was:

	2021	2020
	Number	Number
Office and management	152	120
Direct labour	404	311
Sales assistants	91	71
	<u>647</u>	<u>502</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	23,870,631	17,594,106
Social security costs	2,688,173	1,950,403
Pension costs	1,087,885	898,787
	<u>27,646,689</u>	<u>20,443,296</u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	1,050,272	920,317
Company pension contributions to defined contribution schemes	53,291	54,696
	<u>1,103,563</u>	<u>975,013</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	491,226	254,555
Company pension contributions to defined contribution schemes	5,000	20,367
	<u>496,226</u>	<u>274,922</u>

Lawsons Holdings Limited

Notes to the group financial statements (continued)

For the year ended 30 June 2021

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	263,791	310,020
Interest on invoice finance arrangements	944	-
	<u>264,735</u>	<u>310,020</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	13,747	15,540
Other interest	38,665	-
	<u>317,147</u>	<u>325,560</u>

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	3,826,096	1,970,414
Adjustments in respect of prior periods	(49,805)	(26,243)
	<u>3,776,291</u>	<u>1,944,171</u>
Deferred tax		
Origination and reversal of timing differences	185,700	(63,855)
	<u>185,700</u>	<u>(63,855)</u>
Total tax charge for the year	<u><u>3,961,991</u></u>	<u><u>1,880,316</u></u>

Lawsons Holdings Limited**Notes to the group financial statements (continued)**
For the year ended 30 June 2021**9 Taxation (continued)**

The charge for the year can be reconciled to the loss per the income statement as follows:

	2021	2020
	£	£
Profit before taxation	18,362,725	8,359,913
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	3,488,918	1,588,383
Tax effect of expenses that are not deductible in determining taxable profit	72,178	7,662
Adjustments in respect of prior years	(49,805)	(25,434)
Capital allowances	(490,249)	(433,778)
Depreciation on assets not qualifying for tax allowances	518,416	501,166
Amortisation on assets not qualifying for tax allowances	222,753	75,547
Other tax adjustments	14,080	230,625
Deferred tax	185,700	(63,855)
Taxation charge for the year	3,961,991	1,880,316

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

10 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 July 2020	12,418,102	59,969	13,041,534
Additions	3,012,297	-	3,012,297
At 30 June 2021	15,993,862	59,969	16,053,831
Amortisation and impairment			
At 1 July 2020	2,212,612	52,110	2,828,185
Amortisation charged for the year	1,167,334	7,859	1,175,193
At 30 June 2021	3,943,409	59,969	4,003,378
Carrying amount			
At 30 June 2021	12,050,453	-	12,050,453
At 30 June 2020	10,205,490	-	10,205,490
Company			Goodwill
			£
Cost			
At 1 July 2020 and 30 June 2021			840,000
Amortisation and impairment			
At 1 July 2020 and 30 June 2021			840,000
Carrying amount			
At 30 June 2021			-
At 30 June 2020			-

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Total
Cost or valuation	£	£	£	£	£	£	£
At 1 July 2020	34,344,709	11,406,327	6,799,913	5,984,401	1,724,708	9,053,648	69,313,706
Additions	3,155,934	1,446,982	1,015,538	634,190	125,543	2,108,587	8,486,774
Business combinations	-	568,356	238,802	96,466	47,130	499,560	1,450,314
Disposals	(8,741)	(54,054)	-	-	-	(377,034)	(439,829)
At 30 June 2021	37,491,902	13,367,611	8,054,253	6,715,057	1,897,381	11,284,761	78,810,965
Depreciation and impairment							
At 1 July 2020	2,642,582	1,527,518	5,510,881	4,329,488	1,472,119	5,594,807	21,077,395
Depreciation charged in the year	638,338	347,361	564,095	391,168	141,954	988,491	3,071,407
Eliminated in respect of disposals	(437)	(41,595)	-	-	-	(313,187)	(355,219)
Business combinations	-	179,855	172,949	79,056	32,424	356,772	821,056
At 30 June 2021	3,280,483	2,013,139	6,247,925	4,799,712	1,646,497	6,626,883	24,614,639
Carrying amount							
At 30 June 2021	34,211,419	11,354,472	1,806,328	1,915,345	250,884	4,657,878	54,196,326
At 30 June 2020	31,702,127	9,878,809	1,289,032	1,654,913	252,589	3,458,841	48,236,311

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

Company	Leasehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 July 2020	1,908,434	33,457	1,941,891
Additions	1,021,277	-	1,021,277
Group transfers	1,717,289	-	1,717,289
Disposals	(54,057)	-	(54,057)
At 30 June 2021	4,592,943	33,457	4,626,400
Depreciation and impairment			
At 1 July 2020	373,838	30,696	404,534
Depreciation charged in the year	234,286	2,285	236,571
Group transfers	829,052	-	829,052
Eliminated in respect of disposals	(41,596)	-	(41,596)
At 30 June 2021	1,395,580	32,981	1,428,561
Carrying amount			
At 30 June 2021	3,197,363	476	3,197,839
At 30 June 2020	1,534,596	2,761	1,537,357

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Plant and equipment	584,702	318,343	-	-
Fixtures and fittings	1,849,533	239,666	-	-
	2,434,235	558,009	-	-

The fair value of the land and buildings has been arrived at on the basis of a valuation carried out at 30 June 2016 by Braiser Freeth LLP Chartered Surveyors, who are not connected with the company. The valuation was made on an open market basis by reference to market evidence of transaction prices for similar properties.

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

12 Investment property

	Group	Company
	2021	2021
	£	£
Fair value		
At 1 July 2020	-	40,714,995
Additions through external acquisition	-	3,155,934
Disposals	-	(8,741)
	<hr/>	<hr/>
At 30 June 2021	-	43,862,188
	<hr/> <hr/>	<hr/> <hr/>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 June 2016 by Braiser Freeth LLP Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

Included in investment property are premises held by Lawsons Holdings Limited which are rented to subsidiary companies. The properties are therefore recognised as investment properties at company level and as land and buildings in the consolidated group accounts.

13 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	16,358,942	13,949,705
Unlisted investments		29,091	33,089	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		29,091	33,089	16,358,942	13,949,705
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

13 Fixed asset investments (continued)

Movements in fixed asset investments
Group

Unlisted
investments
£

Cost or valuation

At 1 July 2020	33,089
Business combinations	1,300
Valuation changes	(5,298)

At 30 June 2021	29,091
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Carrying amount

At 30 June 2021	29,091
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At 30 June 2020	33,089
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Movements in fixed asset investments
Company

Shares in group
undertakings
£

Cost or valuation

At 1 July 2020	13,949,705
Additions	5,254,028

At 30 June 2021	19,203,733
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Impairment

At 1 July 2020	-
Impairment losses	2,844,791

At 30 June 2021	2,844,791
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Carrying amount

At 30 June 2021	16,358,942
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At 30 June 2020	13,949,705
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Lawsons Holdings Limited

Notes to the group financial statements (continued) For the year ended 30 June 2021

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Crowthorne Fencing Systems Limited	England and Wales	Dormant	Ordinary	100.00	
Lawsons (Whetstone) Limited	England and Wales	Timber and builders' merchant	Ordinary	100.00	
Sharvatt Woolwich Limited	England and Wales	Dormant	Ordinary	100.00	
AVS Fencing Supplies Limited	England and Wales	Fencing merchant	Ordinary		100.00
AVS Fencing and Landscape Centres (Aylesbury) Limited	England and Wales	Dormant	Ordinary		100.00
AVS Group Holdings Limited	England and Wales	Dormant	Ordinary	100.00	
Hertfordshire Timber and Building Supplies Limited*	England and Wales	Timber and builders' merchant	Ordinary	100.00	
Bell Davis Limited*	England and Wales	Dormant	Ordinary		100.00
Southill Sawmills Limited*	England and Wales	Timber merchant	Ordinary		100.00
Hertfordshire Building Supplies Limited	England and Wales	Dormant	Ordinary		100.00
Hertfordshire Timber Supplies Limited	England and Wales	Dormant	Ordinary		100.00

* These entities have taken advantage of the exemption under 479A of the Companies Act 2006 allowing certain subsidiary undertakings exemption from audit in respect of the period ended 30 June 2021. Lawsons Holdings Limited, the parent undertaking, has provided a guarantee under section 479C of the Companies Act 2006, guaranteeing all outstanding liabilities to which these subsidiary undertakings are subject to as at 30 June 2021, until they are satisfied in full. The guarantee is enforceable against the parent by any person to whom these subsidiary undertakings are liable in respect of these liabilities.

The registered office of all subsidiaries is Tyttenhanger Farm, Coursers Road, Colney Heath, Hertfordshire, AL4 0PG.

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

15 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Work in progress	150,819	94,078	-	-
Finished goods and goods for resale	16,136,936	10,943,238	-	-
	<u>16,287,755</u>	<u>11,037,316</u>	<u>-</u>	<u>-</u>

16 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	11,591,102	7,847,058	182,757	181,396
Amounts owed by group undertakings	-	-	1,404,700	1,414,221
Other debtors	4,096,100	2,583,065	712,222	67,306
Prepayments and accrued income	1,600,720	1,267,175	266,683	343,359
	<u>17,287,922</u>	<u>11,697,298</u>	<u>2,566,362</u>	<u>2,006,292</u>

17 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	19	1,100,000	1,100,000	1,100,000	1,100,000
Obligations under finance leases	20	614,633	132,339	-	-
Trade creditors		18,584,926	12,388,596	64,406	-
Amounts owed to group undertakings		-	-	23,633,467	12,632,112
Corporation tax payable		3,072,959	1,826,113	400,035	117,726
Other taxation and social security		4,048,753	3,920,759	282,779	-
Other creditors		2,480,001	2,153,301	389,117	6,186
Accruals and deferred income		6,900,256	4,488,499	4,492,493	2,361,234
		<u>36,801,528</u>	<u>26,009,607</u>	<u>30,362,297</u>	<u>16,217,258</u>

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

18 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2021	2020	2021	2020
		£	£	£	£
Bank loans and overdrafts	19	8,525,000	9,625,000	8,525,000	9,625,000
Obligations under finance leases	20	1,918,324	440,725	-	-
Other creditors		767,919	990,434	-	-
		<u>11,211,243</u>	<u>11,056,159</u>	<u>8,525,000</u>	<u>9,625,000</u>

19 Loans and overdrafts

		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Bank loans		<u>9,625,000</u>	<u>10,725,000</u>	<u>9,625,000</u>	<u>10,725,000</u>
Payable within one year		1,100,000	1,100,000	1,100,000	1,100,000
Payable between 2 and 5 years		<u>8,525,000</u>	<u>9,625,000</u>	<u>8,525,000</u>	<u>9,625,000</u>

The long-term loans are secured by fixed and floating charges over the assets of the group in favour of Barclays Bank Plc.

20 Finance lease obligations

		Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Future minimum lease payments due under finance leases:					
Within one year		614,633	132,339	-	-
In two to five years		<u>1,918,324</u>	<u>440,725</u>	<u>-</u>	<u>-</u>
		<u>2,532,957</u>	<u>573,064</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Lawsons Holdings Limited

Notes to the group financial statements (continued)

For the year ended 30 June 2021

21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2021	2020
Group	£	£
Accelerated capital allowances	329,426	132,316
Tax losses	(1,353)	(1,353)
Revaluations	1,139,454	1,139,454
Retirement benefit obligations	-	(5,018)
	<u>1,467,527</u>	<u>1,265,399</u>

	Liabilities	Liabilities
	2021	2020
Company	£	£
Revaluations	689,000	689,000
	<u>689,000</u>	<u>689,000</u>

	Group	Company
	2021	2021
Movements in the year:	£	£
Liability at 1 July 2020	1,265,399	689,000
Charge to profit or loss	185,700	-
Other	16,428	-
Liability at 30 June 2021	<u>1,467,527</u>	<u>689,000</u>

22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>1,087,885</u>	<u>898,787</u>

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

22 Retirement benefit schemes (continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
500,000 Ordinary shares of £1 each	500,000	500,000

24 Acquisition of a business

On 26 February 2021 the group acquired 100 percent of the issued capital of Hertfordshire Timber and Building Supplies Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Property, plant and equipment	682,766	-	682,766
Investments	119,065	-	119,065
Inventories	1,256,669	-	1,256,669
Trade and other receivables	1,047,019	-	1,047,019
Cash and cash equivalents	1,780,006	-	1,780,006
Obligations under finance leases	(38,694)	-	(38,694)
Trade and other payables	(1,933,112)	-	(1,933,112)
Tax liabilities	(233,924)	-	(233,924)
Deferred tax	(12,269)	-	(12,269)
Total identifiable net assets	2,667,526	-	2,667,526
Goodwill			2,584,856
Total consideration			5,252,382
The consideration was satisfied by:			£
Cash			5,092,874
Acquisition costs			159,508
			5,252,382

Lawsons Holdings Limited**Notes to the group financial statements (continued)****For the year ended 30 June 2021****24 Acquisition of a business (continued)**

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Turnover	4,306,328
Profit after tax	667,788
	<u><u> </u></u>

25 Operating lease commitments**Lessee**

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	2,449,258	2,177,772	1,127,278	1,010,778
Between two and five years	7,017,068	5,843,137	3,419,075	2,960,187
In over five years	8,249,967	7,207,587	6,285,999	5,839,330
	<u>17,716,293</u>	<u>15,228,496</u>	<u>10,832,352</u>	<u>9,810,295</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	365,000	365,000	365,000	365,000
Between two and five years	21,000	365,000	21,000	365,000
	<u>386,000</u>	<u>730,000</u>	<u>386,000</u>	<u>730,000</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Lawsons Holdings Limited

Notes to the group financial statements (continued)

For the year ended 30 June 2021

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	1,255,680	1,121,195
	<u> </u>	<u> </u>

Transactions with related parties

During the year the group paid rent of £71,500 (2020: £71,502) to the trustees of the Lawsons Executive Pension Scheme.

During the year the group recharged administration fees of £40,000 (2020: £40,000) to Salebeece Limited, a company in which Paul Benton and John Lawson have an interest. Including amounts within accrued income, the group was owed £5,400 (2020: £149,400) by Salebeece Limited at the year-end.

During the year the group made purchases totalling £1,775,334 (2020: £1,321,029) from Juha.co.uk Limited, a company in which Simon Lawson has an interest. At the year end the group owed £168,518 (2020: £234,378) to Juha.co.uk Limited.

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

27 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	14,400,734	6,479,597
Adjustments for:		
Taxation charged	3,961,991	1,880,316
Finance costs	317,147	325,560
Investment income	(8,633)	(18,052)
Loss on disposal of tangible fixed assets	9,330	747,733
Amortisation and impairment of intangible assets	1,175,193	397,617
Depreciation and impairment of tangible fixed assets	3,071,407	2,637,718
Other gains and losses	5,298	5,298
Movements in working capital:		
(Increase)/decrease in stocks	(3,993,770)	872,585
(Increase)/decrease in debtors	(4,716,844)	1,278,508
Increase in creditors	6,991,628	5,554,199
Cash generated from operations	21,213,481	20,161,079

28 Cash generated from operations - company

	2021	2020
	£	£
Loss for the year after tax	(5,300,035)	(1,099,343)
Adjustments for:		
Taxation charged/(credited)	282,309	(27,246)
Finance costs	263,791	276,243
Loss on disposal of investment property	21,202	762,397
Depreciation and impairment of tangible fixed assets	236,571	105,876
Other gains and losses	2,844,791	-
Movements in working capital:		
Increase in debtors	(560,070)	(752,826)
Increase in creditors	13,862,730	4,503,763
Cash generated from operations	11,651,289	3,768,854

Lawsons Holdings Limited

Notes to the group financial statements (continued)
For the year ended 30 June 2021

29 Analysis of changes in net funds - group

	1 July 2020	Cash flows	New finance leases	30 June 2021
	£	£	£	£
Cash at bank and in hand	19,226,221	6,907,824	-	26,134,045
Borrowings excluding overdrafts	(10,725,000)	1,100,000	-	(9,625,000)
Obligations under finance leases	(573,064)	298,828	(2,258,721)	(2,532,957)
	<u>7,928,157</u>	<u>8,306,652</u>	<u>(2,258,721)</u>	<u>13,976,088</u>

30 Analysis of changes in net debt - company

	1 July 2020	Cash flows	30 June 2021
	£	£	£
Cash at bank and in hand	219,975	(31,978)	187,997
Borrowings excluding overdrafts	(10,725,000)	1,100,000	(9,625,000)
	<u>(10,505,025)</u>	<u>1,068,022</u>	<u>(9,437,003)</u>

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