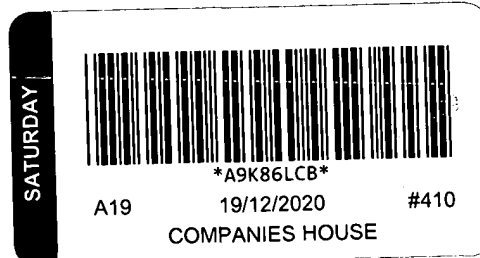


REGISTERED NUMBER: 01100550 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2019

for

Robert D. Webster Limited



Contents of the Financial Statements
for the Year Ended 31 December 2019

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Robert D. Webster Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

M R Cowell
S Berry
Mrs J Thompson
T H Thompson
Mrs E L Cowell
J E Jackson

SECRETARY:

S Berry

REGISTERED OFFICE:

Owstwick Grange
Owstwick
Roos
Hull
East Yorkshire
HU12 0LH

REGISTERED NUMBER:

01100550 (England and Wales)

AUDITORS:

Finnies Accountants Limited
Chartered Certified Accountants
and Statutory Auditors
4-6 Swaby's Yard
Walkergate
Beverley
East Yorkshire
HU17 9BZ

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS
TO BE COMPLETED BY DIRECTORS

The board has assessed that the following Key Performance Indicators (KPI's) are the most effective measures of progress towards achieving further growth of turnover and profitability.

- Organic sales growth - year on year increase in sales revenue
- Gross return on sales - gross profit as a percentage of sales revenue
- Net return on sales - operating profit as a percentage of sales revenue
- Free cashflow - cash generated from operations less tax and interest paid

Performance against KPI's

	2019	2018
Organic sales (decline) / growth	(1.62%)	57.47%
Gross return on sales	11.41%	10.72%
Net return on sales	0.72%	1.50%
Free cashflow	249,758	18,310

PRINCIPAL RISKS AND UNCERTAINTIES

The company annually carries out an exercise to identify and assess the impact of risks on their business and the exercise has recently been reviewed. The more significant risks and uncertainties are in line with the rest of the agricultural machinery market sector specifically customer retention, unit costs, margins, profitability and competition.

ON BEHALF OF THE BOARD:



M R Cowell - Director

6 November 2020

Robert D. Webster Limited (Registered number: 01100550)

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of agricultural engineering and the sale of farm machinery.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

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

M R Cowell
S Berry
Mrs J Thompson
T H Thompson
Mrs E L Cowell

Other changes in directors holding office are as follows:

J R Webster - resigned 10 May 2019
R R Webster - resigned 10 May 2019
Mrs P Webster - resigned 10 May 2019
J E Jackson - appointed 7 January 2019

GOING CONCERN

With the advent of the COVID-19 pandemic we are in uncertain times and the directors are mindful of the impact on the future trading prospects for the company as it complies with the safety measures and emergency legislation recently announced by the United Kingdom Government.

Clearly this will have an impact on the future viability of the company. We have therefore updated our trading predictions based on the anticipated impact of a reduction in trade, whilst also having access to support currently being offered by the United Kingdom Government. We believe that our assumptions are realistic based on evidence currently available, and that the company will consequently have enough headroom within its liquid capital to continue for the foreseeable future.

The directors, after making enquiries, have considered the future prospects of Robert D. Webster Limited and have a reasonable expectation that it will have adequate resources to continue operating for the foreseeable future. Therefore the going concern basis has been adopted in preparing these financial statements.

Report of the Directors
for the Year Ended 31 December 2019

FINANCIAL INSTRUMENTS

Financial risk factors

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company's overall risk management programme focuses on the unpredictability of the markets in which it operates and seeks to minimise associated volatility of the Company's financial performance. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the executive directors.

(a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The company has implemented policies that require maintaining appropriate credit limits on all customers. The company's credit risk is primarily attributable to its trade receivables balance. The amounts presented in the statement of financial position are net of allowances for doubtful debts.

The Company does not have significant concentrations of credit risk. The deposits with banks are only held with reputable financial institutions. This credit worthiness is reviewed periodically in order to ensure active management of counter-party risk. If customers are independently rated, these ratings are used. If there is no independent rating, the board of directors assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

(b) Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise cash balances, which earn interest at floating rates. Interest bearing liabilities comprise amounts due on bank borrowings which attract interest at agreed rates.

(c) Foreign currency risk

The Company's principal foreign currency exposures arise from the world market controlled in US Dollar including grain prices which affect the ability for farmers to purchase new equipment. The management continues to monitor the situation and are in discussion with their customers.

(d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively managed with annual cash flow forecasts updated as required and subject to board review.

Report of the Directors
for the Year Ended 31 December 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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 company'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 company's auditors are aware of that information.

AUDITORS

The auditors, Fannies Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M R Cowell - Director

6 November 2020

Report of the Independent Auditors to the Members of
Robert D. Webster Limited

Opinion

We have audited the financial statements of Robert D. Webster Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 31 December 2019 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Material Uncertainty Related to Going Concern

We draw your attention to Note 23 which indicates that the effects of the Covid-19 pandemic have had an adverse effect on the company's operations and cash flow. As stated in Note 22, these events or conditions, along with other matters as set forth in Note 22 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 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 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
Robert D. Webster Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.



Nicholas Michael Auton (Senior Statutory Auditor)
for and on behalf of Finnies Accountants Limited
Chartered Certified Accountants
and Statutory Auditors
4-6 Swaby's Yard
Walkergate
Beverley
East Yorkshire
HU17 9BZ

Date: 27th November 2020

Income Statement
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER		13,790,202	14,017,669
Cost of sales		(12,217,243)	(12,514,761)
GROSS PROFIT		1,572,959	1,502,908
Distribution costs		(196,153)	(196,117)
Administrative expenses		(1,279,242)	(1,097,258)
		97,564	209,533
Other operating income		1,320	1,164
OPERATING PROFIT	5	98,884	210,697
Interest payable and similar expenses	6	(158,865)	(109,576)
(LOSS)/PROFIT BEFORE TAXATION		(59,981)	101,121
Tax on (loss)/profit	7	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(59,981)	101,121

The notes form part of these financial statements

Robert D. Webster Limited (Registered number: 01100550)

Other Comprehensive Income
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
(LOSS)/PROFIT FOR THE YEAR		(59,981)	101,121
OTHER COMPREHENSIVE INCOME			
Deferred taxation movement		(8,677)	26,032
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(8,677)</u>	<u>26,032</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(68,658)</u></u>	<u><u>127,153</u></u>

The notes form part of these financial statements

Balance Sheet

31 December 2019

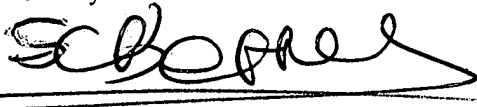
	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	8	1,508,460	1,233,557
Investments	9	10	10
		<u>1,508,470</u>	<u>1,233,567</u>
CURRENT ASSETS			
Stocks	10	2,239,195	1,477,438
Debtors	11	1,101,421	2,392,728
Cash at bank and in hand		2,806	82,485
		<u>3,343,422</u>	<u>3,952,651</u>
CREDITORS			
Amounts falling due within one year	12	(3,671,764)	(3,992,022)
NET CURRENT LIABILITIES		<u>(328,342)</u>	<u>(39,371)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,180,128	1,194,196
CREDITORS			
Amounts falling due after more than one year	13	(175,762)	(129,849)
PROVISIONS FOR LIABILITIES	17	(82,435)	(73,758)
NET ASSETS		<u>921,931</u>	<u>990,589</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Share premium	19	40,189	40,189
Retained earnings	19	880,742	949,400
SHAREHOLDERS' FUNDS		<u>921,931</u>	<u>990,589</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6 November 2020 and were signed on its behalf by:

M R Cowell - Director



S Berry - Director



The notes form part of these financial statements

Robert D. Webster Limited (Registered number: 01100550)

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018	1,000	822,247	40,189	863,436
Changes in equity				
Total comprehensive income	-	127,153	-	127,153
Balance at 31 December 2018	1,000	949,400	40,189	990,589
Changes in equity				
Total comprehensive income	-	(68,658)	-	(68,658)
Balance at 31 December 2019	1,000	880,742	40,189	921,931

The notes form part of these financial statements

Robert D. Webster Limited (Registered number: 01100550)

Cash Flow Statement
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	408,622	120,326
Interest paid		(154,619)	(105,031)
Interest element of hire purchase payments paid		(4,246)	(4,545)
Tax paid		1	7,560
Net cash from operating activities		<u>249,758</u>	<u>18,310</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(351,487)	(43,663)
Sale of tangible fixed assets		23,733	3,650
Net cash from investing activities		<u>(327,754)</u>	<u>(40,013)</u>
Cash flows from financing activities			
New loans in year		-	100,000
Loan repayments in year		(20,000)	-
Capital repayments in year		77,723	(31,568)
Amount introduced by directors		75	2,950
Amount withdrawn by directors		(37,724)	(17,804)
Net cash from financing activities		<u>20,074</u>	<u>53,578</u>
(Decrease)/increase in cash and cash equivalents		<u>(57,922)</u>	<u>31,875</u>
Cash and cash equivalents at beginning of year	2	(593,310)	(625,185)
Cash and cash equivalents at end of year	2	<u>(651,232)</u>	<u>(593,310)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
(Loss)/profit before taxation	(59,981)	101,121
Depreciation charges	76,094	64,740
Profit on disposal of fixed assets	(23,243)	(3,103)
Finance costs	158,865	109,576
	<u>151,735</u>	<u>272,334</u>
(Increase)/decrease in stocks	(761,757)	115,548
Decrease/(increase) in trade and other debtors	1,339,259	(1,099,912)
(Decrease)/increase in trade and other creditors	(320,615)	832,356
	<u>408,622</u>	<u>120,326</u>
Cash generated from operations		

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 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	2,806	82,485
Bank overdrafts	(654,038)	(675,795)
	<u>(651,232)</u>	<u>(593,310)</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	82,485	1,548
Bank overdrafts	(675,795)	(626,733)
	<u>(593,310)</u>	<u>(625,185)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	82,485	(79,679)	2,806
Bank overdrafts	(675,795)	21,757	(654,038)
	<u>(593,310)</u>	<u>(57,922)</u>	<u>(651,232)</u>
Debt			
Finance leases	(88,199)	(77,723)	(165,922)
Debts falling due within 1 year	(20,000)	-	(20,000)
Debts falling due after 1 year	(80,000)	20,000	(60,000)
	<u>(188,199)</u>	<u>(57,723)</u>	<u>(245,922)</u>
Total	<u>(781,509)</u>	<u>(115,645)</u>	<u>(897,154)</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. **STATUTORY INFORMATION**

Robert D. Webster 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 Company Information page.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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.

With the advent of the COVID-19 pandemic we are in uncertain times and the directors are mindful of the impact on the future trading prospects for the company as it complies with the safety measures and emergency legislation recently announced by the United Kingdom Government.

Clearly this will have an impact on the future viability of the company. We have therefore updated our trading predictions based on the anticipated impact of a reduction in trade, whilst also having access to support currently being offered by the United Kingdom Government. We believe that our assumptions are realistic based on evidence currently available, and that the company will consequently have enough headroom within its liquid capital to continue for the foreseeable future.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Freehold property	- No depreciation is charged
Long leasehold	- 2% on cost
Plant and machinery	- 25% pa on written down value and 15% pa on written down value
Fixtures and fittings	- 25% pa on written down value and 15% pa on written down value
Motor vehicles	- 40% on reducing balance and 25% pa on written down value

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

3. **ACCOUNTING POLICIES - continued**

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

4. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	1,185,610	914,188
Social security costs	123,273	98,141
Other pension costs	24,141	11,794
	<u>1,333,024</u>	<u>1,024,123</u>

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

	2019	2018
Administration and management	18	18
Agricultural engineering and stores	20	20
	<u>38</u>	<u>38</u>

	2019	2018
	£	£
Directors' remuneration	259,163	285,001
Directors' pension contributions to money purchase schemes	3,936	2,808
	<u>263,099</u>	<u>287,809</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	55,570	39,790
Pension contributions to money purchase schemes	1,180	548
	<u>56,750</u>	<u>40,338</u>

5. **OPERATING PROFIT**

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

	2019	2018
	£	£
Depreciation - owned assets	30,264	33,173
Depreciation - assets on hire purchase contracts	45,830	31,567
Profit on disposal of fixed assets	(23,243)	(3,103)
Auditors' remuneration	8,750	8,500
Auditors' remuneration for non audit work	5,358	3,216
	<u>66,959</u>	<u>73,353</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank interest	30,357	26,187
Bank loan interest	15,750	15,750
Other interest	108,512	63,094
Hire purchase	4,246	4,545
	<u>158,865</u>	<u>109,576</u>

7. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
(Loss)/profit before tax	<u>(59,981)</u>	<u>101,121</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(11,396)	19,213
Effects of:		
Capital allowances in excess of depreciation	-	(11,503)
Utilisation of tax losses	11,396	(7,710)
	<u> </u>	<u> </u>
Total tax charge	<u>-</u>	<u>-</u>

Tax effects relating to effects of other comprehensive income

	2019 Gross £	Tax £	Net £
Deferred taxation movement	<u>(8,677)</u>	<u>-</u>	<u>(8,677)</u>
	2018 Gross £	Tax £	Net £
Deferred taxation movement	<u>26,032</u>	<u>-</u>	<u>26,032</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 January 2019	850,000	229,133	330,277
Additions	-	176,934	24,109
Disposals	-	-	(13,221)
At 31 December 2019	850,000	406,067	341,165
DEPRECIATION			
At 1 January 2019	-	83,146	250,957
Charge for year	-	3,844	17,579
Eliminated on disposal	-	-	(12,759)
At 31 December 2019	-	86,990	255,777
NET BOOK VALUE			
At 31 December 2019	850,000	319,077	85,388
At 31 December 2018	850,000	145,987	79,320
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2019	155,302	384,207	1,948,919
Additions	23,285	127,159	351,487
Disposals	(6,729)	(120,646)	(140,596)
At 31 December 2019	171,858	390,720	2,159,810
DEPRECIATION			
At 1 January 2019	123,972	257,287	715,362
Charge for year	11,012	43,659	76,094
Eliminated on disposal	(6,701)	(120,646)	(140,106)
At 31 December 2019	128,283	180,300	651,350
NET BOOK VALUE			
At 31 December 2019	43,575	210,420	1,508,460
At 31 December 2018	31,330	126,920	1,233,557

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. **TANGIBLE FIXED ASSETS - continued**

The properties were revalued in 2016 by Stephenson's Estate Agents, a qualified professional valuer in accordance with RICS Valuation Professional services, published by The Royal Institution of Chartered Surveyors. The fair value of land and buildings was determined using the market comparable method. This means that the valuations performed by the valuer are based on active market prices, significantly adjusted for differences in the nature, location or condition of the specific property.

The historical cost of the land is £418,674.

The net book value of tangible fixed assets includes £255,447 (2018 - £180,538) in respect of assets held under hire purchase contracts.

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2019	
and 31 December 2019	10
NET BOOK VALUE	
At 31 December 2019	10
At 31 December 2018	10

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

Robert D Webster (hire) Limited

Registered office:

Nature of business: Dormant

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	83.33		
Aggregate capital and reserves		(12,976)	(12,976)

10. **STOCKS**

	2019 £	2018 £
Finished goods and goods for resale	2,239,195	1,477,438

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	913,617	1,065,643
Amounts owed by group undertakings	12,836	12,836
Other debtors	66,616	69,918
VAT	22,594	220,338
Directors' current accounts	36,411	-
Corporation tax	24,601	13,060
Prepayments and accrued income	24,746	1,010,933
	<u>1,101,421</u>	<u>2,392,728</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 14)	674,038	695,795
Hire purchase contracts (see note 15)	50,160	38,350
Trade creditors	2,349,598	2,929,549
Corporation tax	25,631	14,089
Social security and other taxes	30,644	35,585
Directors' current accounts	99,587	100,825
Accrued expenses	442,106	177,829
	<u>3,671,764</u>	<u>3,992,022</u>

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

	2019	2018
	£	£
Bank loans (see note 14)	60,000	80,000
Hire purchase contracts (see note 15)	115,762	49,849
	<u>175,762</u>	<u>129,849</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	654,038	675,795
Bank loans	20,000	20,000
	<u>674,038</u>	<u>695,795</u>
Amounts falling due between one and two years:		
Bank loans	<u>20,000</u>	<u>20,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

14. **LOANS - continued**

	2019	2018
	£	£
Amounts falling due between two and five years:		
Bank loans	<u>40,000</u>	<u>60,000</u>

15. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2019	2018
	£	£
Net obligations repayable:		
Within one year	50,160	38,350
Between one and five years	<u>115,762</u>	<u>49,849</u>
	<u>165,922</u>	<u>88,199</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2019	2018
	£	£
Bank overdrafts	654,038	675,795
Bank loans	<u>80,000</u>	<u>100,000</u>
	<u>734,038</u>	<u>775,795</u>

The company's bankers hold the following securities against the bank over draft:- 1) Debenture in the banks standard form dated 30th May 1974 including the land at Grange Farm, Owstwick and buildings at Boothferry Road, Howden. 2) Special debenture dated 24th September 1991 over the company's property, undertakings and assets. 3) Charge code dated 1st August 2016 over the freehold land at Owstwick Grange and Boothferry Road Howden.

The bank loan and overdraft agreement is subject to covenant clauses, whereby the Company has a restriction on lending to directors without the prior approval of the bank. It should be noted that this has been breached during the year.

Due to the breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding balance owed to the bank, this totalled £754,038. This is disclosed as current liability £694,038 and non current liability of £60,000.

The bank have confirmed that they will not seek early repayment of the loan nor recall the overdraft facility and that they will continue to offer their borrowing facilities and their support to the company.

17. **PROVISIONS FOR LIABILITIES**

	2019	2018
	£	£
Deferred tax	<u>82,435</u>	<u>73,758</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

17. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2019	73,758
Provided during year	8,677
Balance at 31 December 2019	<u>82,435</u>

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2019 £	2018 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

19. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	949,400	40,189	989,589
Deficit for the year	(59,981)		(59,981)
Gains arising on revaluation of tangible assets	<u>(8,677)</u>	<u>-</u>	<u>(8,677)</u>
At 31 December 2019	<u>880,742</u>	<u>40,189</u>	<u>920,931</u>

Included in retained earnings is £351,435 (2018: £360,112) of profits which are not available for distribution as they are unrealised.

20. **CONTINGENT LIABILITIES**

There is a guarantee in favour of CNH Industrial Financial for £200,000 dated 21 March 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

21. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2019 and 31 December 2018:

	2019 £	2018 £
Mrs J Thompson and T H Thompson		
Balance outstanding at start of year	-	-
Amounts advanced	34,249	-
Amounts repaid	(38)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>34,211</u>	<u>-</u>
S Berry		
Balance outstanding at start of year	-	-
Amounts advanced	2,200	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,200</u>	<u>-</u>

22. **ULTIMATE CONTROLLING PARTY**

Due to the allocation of the shareholdings there is no ultimate controlling party.

23. **GOING CONCERN**

With the advent of the COVID-19 pandemic we are in uncertain times and the directors are mindful of the impact on the future trading prospects for the company as it complies with the safety measures and emergency legislation recently announced by the United Kingdom Government.

Clearly this will have an impact on the future viability of the company. We have therefore updated our trading predictions based on the anticipated impact of a reduction in trade, whilst also having access to support currently being offered by the United Kingdom Government. We believe that our assumptions are realistic based on evidence currently available, and that the company will consequently have enough headroom within its liquid capital to continue for the foreseeable future.

The current position the company finds its self is common with most businesses.

The directors reviewed its financial forecast for 2020 in June and revised this downwards and are hopeful that the business will return a profit for the year ending 31 December 2020.

Due to the rapid and ongoing nature of Covid-19 including the latest lock down commencing 5 November 2020 for 4 weeks, the directors are uncertain whether the revised forecasts will be achieved with a return to profitability and positive cashflow from operations. The company obtained additional funding during 2020 by means of a CBILS loan.

The directors believe that Covid-19 is an interruption to the growth of the company and they anticipate a strong and profitable year ending 31 December 2021 as they expect any lost sales orders from 2020 will be received next year.