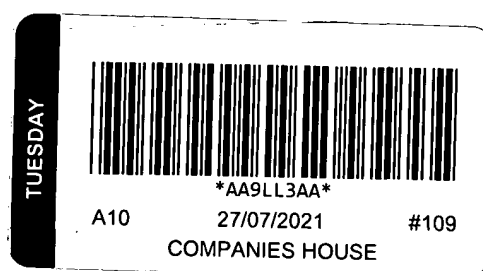


Registered number: 01360957

ROBERT WOODHEAD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020



ROBERT WOODHEAD LIMITED

COMPANY INFORMATION

Directors	D P Woodhead H A Cheshire G S Slater C D Pygall (resigned 7 May 2020) T A Westwood T P Woodhead L R Woodhead J Borderick (appointed 14 March 2019) S J Sargent (appointed 1 April 2020)
Company secretary	H A Cheshire
Registered number	01360957
Registered office	Edwinstowe House High Street Edwinstowe Mansfield Nottinghamshire NG21 9PR
Independent auditors	Smith Cooper Audit Limited Chartered Accounts and Statutory Auditors St Helen's House Cathedral Quarter King Street Derby DE1 3EE

ROBERT WOODHEAD LIMITED

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ROBERT WOODHEAD LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2020**

ROBERT WOODHEAD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

Business review

The Business Review for this year is led by our experiences of what has been a truly testing and turbulent year for both Construction and the wider economy. In June 2020 as we wrote the Review last year, we believed we were 'in the middle of the Covid-19 pandemic' and acknowledged that the coming months were going to be challenging. Twelve months on, as we write this and we are only just beginning to see restrictions easing, and the recovery is likely to take many more months yet.

During the year we were presented with many trials linked to Covid-19 and Brexit. All of our sites were closed for a period of 6 weeks during the initial lockdown during which time a large portion of staff were Furloughed, this was followed by a partial reopening and subsequent full reopening but with a significant impact on productivity driven by requirements to manage increased health and safety. Costs increased and supply chain bottlenecks impacted on delivery. Uncertainty in the marketplace lead to delayed client procurement and consequently slippage in project start dates. These challenges have been further exacerbated when combined with losses sustained on several legacy projects.

These results and experiences over the year overshadow a business that has otherwise performed extremely well in the circumstances, managing to navigate the year without accessing the Covid Business Interruption Loan Scheme, reducing our indebtedness and ensuring we are fully up to date with all HMRC obligations without any deferments or extensions requested or taken.

Despite the challenges, the year has seen some significant achievements and milestones for the business. We have worked on several high-profile projects during the period including the successful delivery of the £6M flagship conservation and heritage project at Wentworth Woodhouse. Delivering a complex heritage and restoration project in close alliance with the charitable trust owner and its board of trustees. And we completed our largest Higher Education project for the University of Nottingham with the Power Electronics, Machines and Control Building.

Our housing partnerships have grown from strength to strength with Local Authority Partners such as the Bolsover Homes Programme with Bolsover District Council delivering circa 400 homes over 4 years, and the 5 year Newark and Sherwood District Council programme, which completed its 3rd year having delivered over 190 new homes. This area has broadened and developed into working in Joint Venture partnerships with Local Authorities to deliver homes for market sale, strengthening our pipeline into 2024.

We have continued to develop our minor works offer, completing further phases of work in a high secure environment for a long standing Blue Light client.

Our team have continued to deliver on our Social Value goals by adopting online engagement programmes in lieu of the more traditional in-person approaches to community engagement and education events, and we have continued to deliver our apprenticeship programme as planned.

Internally, we utilised the opportunity 2020 gave to develop the business and re-focus.

We successfully adapted and adopted new technologies, enabling more effective remote and home working, an approach which will continue to be used in the future to enable increased productivity and improved agility. We have invested in research and development to conceive a Future Home product that will meet and exceed the planned changes to Building Regulations due to come into force in 2025, including zero gas homes. We have continued to invest in the recruitment of talent for the business, growing our in-house Groundworks team, expanding our Supply Chain Management team in advance of the industry being faced with inflationary pressures, longer lead times and growing demand, and we have further strengthened our Customer Care Team.

ROBERT WOODHEAD LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

As we write this Business Review in 2021, we have a positive outlook for the future with forecast sales in 2021 of £54m and £50m in 2022 with an order book extending into 2024 and beyond. We have launched our 10-year Climate Action Framework setting out our plans to become not just net zero, but a climate positive contractor and we're focussing on our digital transformation agenda to increase productivity and resilience.

As always, our cornerstone continues to be embedding and living our values. These have been recently refreshed to better reflect our approach to continuous improvement, OWN it, ACHIEVE it, IMPROVE it. Our purpose remains as 'creating better experiences for all', to ensure we are delivering the best outcomes for our clients.

We remain focussed on partnership working with long term public clients and have plans to grow our minor works offer in Education, Blue light, Defence and Local Authority Corporate Buildings. We also look forward to embracing new emerging markets as the country seeks to build back better, greener and faster, including opportunities in Town Centre Regeneration, Decarbonisation, Renewables and Modern Methods of Construction.

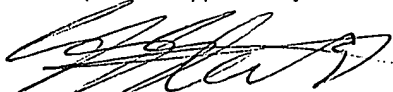
Principal risks and uncertainties

Risk is a core focus for the board and the management team. As with many businesses our size and within our sector we continue to operate in a challenging environment. These inherent risks coupled with external issues such as Covid-19, Brexit, supply chain impact, increasing cybercrime, changes to legislation and macroeconomic conditions are reviewed regularly by the board and management team and plans are put in place to mitigate wherever possible and embed organisational resilience.

Financial key performance indicators

The Company's key performance indicators are turnover, gross profit, net profit margin and working capital.

This report was approved by the board on 22 July 2021 and signed on its behalf.


G S Slater
Director

ROBERT WOODHEAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their report and the financial statements for the year ended 31 October 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £2,903,379 (2019 - profit £225,322).

No dividends were paid or proposed during the year (2019 : £nil).

Directors

The directors who served during the year were:

D P Woodhead
H A Cheshire
G S Slater
C D Pygall (resigned 7 May 2020)
T A Westwood
T P Woodhead
L R Woodhead
J Borderick (appointed 14 March 2019)
S J Sargent (appointed 1 April 2020)

Future developments

There are no future developments that significantly affect the Company.

ROBERT WOODHEAD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

Financial instruments

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk and liquidity risk. The Company has a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of cash and any related finance costs. The Company has implemented policies that require appropriate checks before a sale is made.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

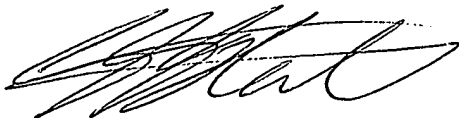
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Smith Cooper Audit Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 22 July 2021 and signed on its behalf.



G S Slater
Director

ROBERT WOODHEAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROBERT WOODHEAD LIMITED

Opinion

We have audited the financial statements of Robert Woodhead Limited (the 'Company') for the year ended 31 October 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 October 2020 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which, along with the Strategic Report, references the difficulties faced by the Company following the outbreak of Covid 19 culminating in a significant loss in these financial statements. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast doubt on the Group's or the parent 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 included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ROBERT WOODHEAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROBERT WOODHEAD LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ROBERT WOODHEAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROBERT WOODHEAD LIMITED (CONTINUED)

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 an Auditors' 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the company and industry, we identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions

We focused on those area that could give rise to a material misstatement in the Company financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the recognition of long term contracts and provisions for doubtful debts.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

ROBERT WOODHEAD LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROBERT WOODHEAD LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Smith Cooper Audit Limited

James Delve (Senior statutory auditor)
for and on behalf of
Smith Cooper Audit Limited
Chartered Accounts and Statutory Auditors
St Helen's House
Cathedral Quarter
King Street
Derby
DE1 3EE
26 July 2021

ROBERT WOODHEAD LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2020

	Note	2020 £	2019 £
Turnover	4	42,742,458	57,752,337
Cost of sales		(42,859,350)	(54,639,984)
Gross (loss)/profit		(116,892)	3,112,353
Administrative expenses		(3,848,873)	(2,833,992)
Other operating income	5	429,168	-
Operating (loss)/profit	6	(3,536,597)	278,361
Interest receivable and similar income	9	5	20
Interest payable and expenses	10	(1,954)	(205)
(Loss)/profit before tax		(3,538,546)	278,176
Tax on (loss)/profit	11	635,167	(52,854)
(Loss)/profit for the financial year		(2,903,379)	225,322

There was no other comprehensive income for 2020 (2019:£NIL).

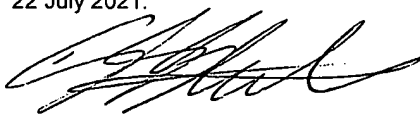
The notes on pages 13 to 24 form part of these financial statements.

ROBERT WOODHEAD LIMITED
REGISTERED NUMBER: 01360957

BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	29,828
Tangible assets	13	63,885	111,643
		<u>63,885</u>	<u>141,471</u>
Current assets			
Stocks	14	1,409,444	3,682,782
Debtors: amounts falling due within one year	15	9,699,297	7,866,828
		<u>11,108,741</u>	<u>11,549,610</u>
Creditors: amounts falling due within one year	16	(10,629,108)	(8,219,358)
Net current assets		<u>479,633</u>	<u>3,330,252</u>
Total assets less current liabilities		<u>543,518</u>	<u>3,471,723</u>
Provisions for liabilities			
Deferred tax	17	-	(24,826)
Net assets		<u><u>543,518</u></u>	<u><u>3,446,897</u></u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Profit and loss account	19	443,518	3,346,897
		<u><u>543,518</u></u>	<u><u>3,446,897</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2021.



G S Slater
Director



T A Westwood
Director

The notes on pages 13 to 24 form part of these financial statements.

ROBERT WOODHEAD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2018	100,000	3,121,575	3,221,575
Comprehensive income for the year			
Profit for the year	-	225,322	225,322
At 1 November 2019	100,000	3,346,897	3,446,897
Comprehensive income for the year			
Loss for the year	-	(2,903,379)	(2,903,379)
At 31 October 2020	100,000	443,518	543,518

The notes on pages 13 to 24 form part of these financial statements.

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

Robert Woodhead Limited is a private company limited by shares and incorporated in England. The registered office is Edwinstowe House, High Street, Edwinstowe, Mansfield, Nottinghamshire, NG21 9PR. The Company registration number is 01360957. The nature of the Company's operations and principal activities is that of building contractors and developers.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is GBP.

The Company has prepared its financial statements to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Robert Woodhead Holdings Limited as at 31 October 2020 and these financial statements may be obtained from Companies House.

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.3 Going concern

The Directors believe that the Company's financial statements should be prepared on a going concern basis and have considered a period of twelve months from the date of approval of these financial statements.

During the year, as referenced in the Strategic Report, the outbreak of Covid 19 has had a significant effect on the global economy and the Company's operations, leading to a loss in the year of £2.9million. Subsequent to the year end performance has improved and restrictions have eased however at the date of signing the future consequences of further outbreaks and lockdowns, whilst potentially unlikely, cannot be accurately predicted. Whilst the Company expects to return to profitability in 2021 it is reliant on the continued support of the Bank, which has a cross corporate charge across all Group entities.

Notwithstanding the above after reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future assuming the current facilities remain in place. As such the Group continues to adopt the going concern basis in preparing its financial statements however acknowledges there is material uncertainty around this relating to factors outside of its control as noted above.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue is recognised on contracts when the outcome can be determined with reasonable certainty and the risks and rewards have passed to the customer, this is usually when the contract is practically complete.

2.5 Operating leases: the Company as lessee

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

2.6 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software and licences	-	20-33% Straight Line
--------------------------------	---	----------------------

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 33% Straight Line
Fixtures and fittings	- 10 - 33% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Stocks

Work in progress is valued on the basis of direct costs on a contract by contract basis with provisions being made for any foreseeable losses where appropriate.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty; this is usually upon practical completion. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors are of the opinion that there are no areas of the financial statements which require significant judgements or accounting estimates to be made with the exception of the deferred taxation and the work in progress valuation.

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

4. Turnover

The whole of the turnover is attributable to the Company's principal business activity.

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grants receivable - Furlough claim	429,168	-

6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	56,739	76,850
Amortisation of intangible assets, including goodwill	29,828	52,436
Hire of plant and equipment	499,655	512,263
Defined contribution pension cost	172,781	117,498
Fees payable to the Company's auditor for:		
The audit of the Company's annual financial statements	15,750	15,750
Other services relating to taxation	5,750	5,750

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	6,043,260	6,830,502
Social security costs	555,424	533,595
Cost of defined contribution scheme	176,781	172,801
	<u>6,775,465</u>	<u>7,536,898</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Office and management	42	36
Production	91	103
	<u>133</u>	<u>139</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	486,391	452,213
Company contributions to defined contribution pension schemes	58,426	55,303
Amounts paid to third parties in respect of directors' services	96,000	192,000
Compensation for loss of office	60,000	-
	<u>700,817</u>	<u>699,516</u>

During the year retirement benefits were accruing to 7 directors (2019 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £114,894 (2019 - £106,978).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,840 (2019 - £10,456).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>5</u>	<u>20</u>

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	1,954	205

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	73,254
Prior period tax reclaimed due to loss relief	(342,860)	-
Total current tax	(342,860)	73,254
Deferred tax		
Origination and reversal of timing differences	(292,307)	(20,400)
Total deferred tax	(292,307)	(20,400)
Taxation on (loss)/profit on ordinary activities	(635,167)	52,854

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(3,538,546)	278,176
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(672,324)	52,854
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	133	20,400
Adjustments to deferred tax in respect of prior periods	(342,860)	(20,400)
Other differences leading to an increase (decrease) in the tax charge	626	-
Group relief	36,398	-
Tax losses carried back	342,860	-
Total tax charge for the year	(635,167)	52,854

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

11. Taxation (continued)

Factors that may affect future tax charges

The Company has unutilised taxable losses of approximately £1.4m.

In April 2023, the rate of corporation tax will increase to 25% from the current rate of 19%.

12. Intangible assets

	Computer software and licenses £
Cost	
At 1 November 2019	321,171
At 31 October 2020	<u>321,171</u>
Amortisation	
At 1 November 2019	291,343
Charge for the year on owned assets	29,828
At 31 October 2020	<u>321,171</u>
Net book value	
At 31 October 2020	<u>-</u>
At 31 October 2019	<u>29,828</u>

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

13. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 November 2019	13,998	543,303	557,301
Additions	3,293	5,688	8,981
At 31 October 2020	17,291	548,991	566,282
Depreciation			
At 1 November 2019	8,813	436,845	445,658
Charge for the year on owned assets	3,285	53,454	56,739
At 31 October 2020	12,098	490,299	502,397
Net book value			
At 31 October 2020	5,193	58,692	63,885
At 31 October 2019	5,185	106,458	111,643

14. Stocks

	2020 £	2019 £
Work in progress	1,409,444	3,682,782

15. Debtors

	2020 £	2019 £
Trade debtors	5,439,676	5,431,289
Amounts owed by group undertakings	2,712,689	1,803,265
Other debtors	1,193,526	524,028
Prepayments and accrued income	85,925	108,246
Deferred taxation	267,481	-
	9,699,297	7,866,828

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	845,588	234,017
Other loans	52,175	52,175
Payments received on account and contract accruals	2,831,638	2,319,964
Trade creditors	6,484,798	5,101,797
Amounts owed to group undertakings	-	2,255
Corporation tax	-	73,254
Other taxation and social security	200,737	246,097
Other creditors	194,372	170,249
Accruals and deferred income	19,800	19,550
	<u>10,629,108</u>	<u>8,219,358</u>

The loan is secured over land held in Woodhead Regeneration Limited. Interest on this loan is charged at 2.75% above the base rate.

ROBERT WOODHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

17. Deferred taxation

	2020 £
At beginning of year	(24,826)
Credited to profit or loss	292,307
At end of year	267,481

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(10,543)	(24,934)
Tax losses carried forward	264,691	-
Other timing differences	13,333	108
	(267,481)	24,826

The amount of net reversal of deferred tax expected to occur next year is not considered to be material.

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

19. Reserves

Profit and loss account

Includes all distributable current and prior period retained profits and losses.

20. Contingent liabilities

The Company has given an unlimited intercompany cross guarantee to secure the bank borrowings of the other group companies.

At 31 October 2020, total borrowings for the group were £ 1,806,257 (2019: £ 2,373,264).

ROBERT WOODHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

21. Pension commitments

The Company operates a defined benefit contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £176,781 (2019 - £172,781). There was a balance outstanding of £NIL (2019 - £1,211) at the balance sheet date.

22. Commitments under operating leases

At 31 October 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	136,518	76,345
Later than 1 year and not later than 5 years	526,189	322,522
	<u>662,707</u>	<u>398,867</u>

23. Related party transactions

During the year the Company made purchases from companies under common control totalling £165,657 (2019: £361,068). During the year the Company made sales to companies under common control totalling £3,461,762 (2019: £3,306,791).

At the balance sheet date the Company was owed £209,051 (2019: £1,241,260) from companies under common control.

During the year the Company made sales to joint venture companies totalling £1,668,712 (2019: £771,193)

At the balance sheet date the Company was owed £195,320 (2019: £282,762) from joint venture companies.

Payments made to key management during the period totalled £563,394 (2019: £477,817).

24. Controlling party

The directors consider the ultimate parent undertaking to be Robert Woodhead (Holdings) Limited, a company incorporated in England. Group financial statements are available from Companies House, Cardiff.

The ultimate controlling party is D Woodhead by virtue of his controlling interest in the equity capital of Robert Woodhead (Holdings) Limited.