

Registered No: 03291167

LUBBERS (UK) LIMITED

Report and Financial Statements

31 December 2020



LUBBERS (UK) LIMITED

Corporate Information

Directors

A R Tailford
J G Engelsman
D H Mulder
N F Latham

Auditor

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

NatWest Plc
Trinity Gardens
Broadchare
Quayside
Newcastle upon Tyne
NE1 2HF

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Registered Office

11 Atley Way
Nelson Industrial Estate
Cramlington
Northumberland
NE23 1WA

Strategic report

The directors present their strategic report for the year ended 31 December 2020.

Principal activities

The principal activity of the company during the year was road haulage contracting. The trading activity of the company was satisfactory during the year.

Review of the business

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

	2020	2019	Change
	£000	£000	%
Turnover	17,091	24,450	(30.0)
Operating Profit	639	2,588	(73.2)
Profit after Tax	482	2,126	(77.3)
Shareholders' funds	732	2,126	(65.5)
Current assets as % of current liabilities ('quick ratio') (%)	83	109	
Average number of employees	89	87	

Turnover decreased by 30% as a result of the covid pandemic. We have been able to drop costs at very short notice to keep the business making a profit. The directors are confident that these cost reductions will benefit the company in 2021 as the effect of the pandemic reduces.

There was a dividend payment of £1,875,742 (2018: £1,722,816) to Lubbers Transport Group. This was a payment of a large part of the profit generated in 2019.

The company has considerable financial resources with contracts with a number of customers and suppliers across different geographical areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook.

Principal risks and uncertainties

The company operates in a very competitive market where service, quality, price and good working relationships with customers are key factors in our success. The directors believe the business is well positioned to provide this combination of values to our customers.

Health and Safety is a critical element of our business philosophy. We actively promote safe working practices with risk assessment through management and employee development being the key to accident prevention.

The company is committed to providing a safe and healthy workplace for all its employees.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditor worthiness procedures. The Company continually reviews its receivable position and the credit risk associated with this position, taking into consideration the impact of the current pandemic when assessing the risk. The Directors believe that payment default remains a low risk and have assessed this exposure as acceptable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generated by its

Strategic report

operations and through financial support from the parent company when necessary. The Directors have assessed the liquidity risk as acceptable.

Currency risk

The Company has transactions in currencies other than its functional currency. Transaction exposures arise from the normal trading activities of the Company. The Company also has translation risk on monetary asset and liabilities denominated in currencies other than its functional currency. The Directors have assessed the exposure to currency transaction risk as acceptable.

Interest rate risk

The Company has interest-bearing liabilities resulting from its hire purchase agreements and invoice discounting arrangements (see Note 12 and 13).

As at 31 December 2020, interest-bearing liabilities has a carrying value of £4,400,671 (2019: £3,111,211). The rates of interest are mostly fixed and create less volatility in earnings from period to period, therefore the Directors have assessed this risk as acceptable

Brexit Risk

With the signed trade agreement now in place with the EU we are now fully aware of the risks caused by Brexit. The company has sought to minimise its exposure to any risk through localising its major suppliers within the UK in order to minimise any disruption. Given the nature of the company's operations, management do not currently envisage any significant logistical impacts of Brexit in its relationships with customers and revenues, though any movements in exchange rates and restrictions at UK ports could have an impact on the company's results.

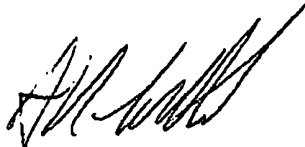
COVID-19

The global economy in 2021 is expected to be significantly impacted by the pandemic outbreak of the Corona virus (COVID-19).

The Company has taken steps to secure the long term future of the business. The directors have regular meetings to review the advice of the World Health Organisation (WHO) and local health authorities. The business has been able to remove variable costs with immediate effect which has allowed us to continue to make a profit despite the tough economic climate.

The long-term impact of this crisis is uncertain and therefore no explicit statement can be made at this stage.

By order of the Board



A R Tailford
Director

21st September 2021

LUBBERS (UK) LIMITED

Directors' report

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

Directors of the company

The directors who served during the year were as follows:

A R Tailford
J G Engelsman
D H Mulder
S M Ferguson (resigned 31 December 2020)
N F Latham

Results and dividends

The profit for the year, after taxation, amounted to £482,395 (2019: £2,125,742). A dividend of £1,875,742 was paid during the year (2019: £1,722,816).

Going Concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of least 12 months from the date of these financial statements. In particular, the directors have considered the potential financial and operational impacts the company is facing as a result of COVID-19 which is impacting liquidity/supply chain/customer demand, however detailed plans are in place to mitigate these potential impacts, if required. The company is also in a position that it can call on reserves from previous years to support the business going forward, if required. For this reason, the directors continue to adopt the going concern basis of preparation for these financial statements. Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern.

Future developments

The directors are confident the sales will return to pre covid levels whilst keeping the costs as low as possible. They are also looking at winning new contacts.

Employee Involvement

The company operates a framework for employee information and consultation which complies with the requirements of the information and consultation of employees reg 2004. During the year, regular meetings were held between local management and employees to allow a free flow of information and ideas.

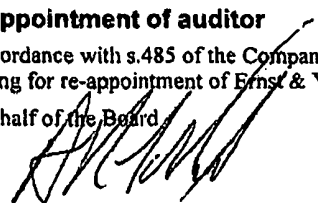
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditor

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board



A R Tailford
Director
21st September 2021

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 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 judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditors' report

to the members of LUBBERS (UK) LIMITED

Opinion

We have audited the financial statements of Lubbers (UK) Limited for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 21, 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 FRS 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 company's affairs as at 31 December 2020 and of its 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 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 company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report

to the members of LUBBERS (UK) LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the 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 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 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.

Independent auditors' report

to the members of LUBBERS (UK) LIMITED

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct tax compliance regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated this by reviewing supporting documentation to validate that the company has a process for monitoring legal requirements; and has a process for reporting matters of non-compliance and taking appropriate action.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue to be a fraud risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved incorporating data analytics into our testing of journals and revenue recognition. Applying our data techniques we identified the manual journal population deemed most susceptible to fraud (based on our fraud risk criteria) and substantiated these transactions back to supporting documentation. In addition we tested a sample of revenue transactions back to source documentation including corroborating appropriate authorisation of such transactions..

Independent auditors' report

to the members of LUBBERS (UK) LIMITED

A further description of our responsibilities for the audit of the financial statements is located 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Richard Lingwood (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne

21st September 2021

LUBBERS (UK) LIMITED

Income Statement

for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	2	17,091,459	24,449,926
Cost of sales		(13,093,485)	(18,157,801)
Gross Profit		<u>3,997,974</u>	<u>6,292,125</u>
Administrative expenses:			
Before Exceptional costs		(3,319,122)	(3,785,714)
Exceptional Costs	6	(110,000)	-
Other operating income		70,273	81,939
Operating Profit	3	<u>639,125</u>	<u>2,588,350</u>
Profit on disposal of tangible fixed assets		139,697	211,460
Profit before interest & taxation		<u>778,822</u>	<u>2,799,810</u>
Interest receivable and similar charges		-	-
Interest payable and similar charges	7	(139,318)	(184,145)
Profit before taxation		<u>639,504</u>	<u>2,615,665</u>
Tax on profit	8	(157,109)	(489,923)
Profit for the financial year		<u><u>482,395</u></u>	<u><u>2,125,742</u></u>

All of the activities of the company are classed as continuing.

Statement of Comprehensive Income

for the year ended 31 December 2020

There is no comprehensive income other than the profit attributable to the shareholders of the company of £482,395 in the year ended 31 December 2020 (2019: £2,125,742).

Statement of Changes in Equity
for the year ended 31 December 2020

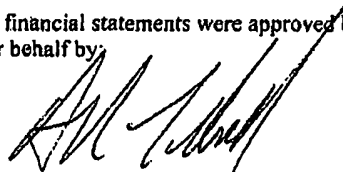
	<i>Called up share capital</i>	<i>Profit & loss account</i>	<i>Total equity</i>
	£	£	£
At 1 January 2019	2	1,772,816	1,772,818
Profit for the year	-	2,125,742	2,125,742
Dividends paid during the year	-	(1,722,816)	(1,722,816)
At 31 December 2019	2	2,125,742	2,125,744
Profit for the year	-	482,395	482,395
Dividends paid for the year	-	(1,875,742)	(1,875,742)
At 31 December 2020	2	732,395	732,397

Statement of Financial Position

at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	3,786,724	3,718,359
Current assets			
Debtors	11	3,944,588	4,864,634
Cash at bank and in hand		299,837	210,425
		4,244,425	5,075,059
Creditors: amounts falling due within one year	12	(5,121,379)	(4,673,686)
Net current (liabilities)/assets		(876,954)	401,373
Total assets less current liabilities		2,909,770	4,119,732
Creditors: amounts falling due after more than one year	13	(1,783,796)	(1,739,114)
Provisions for liabilities and charges	15	(393,577)	(254,874)
Net assets		732,397	2,125,744
Capital and reserves			
Called up share capital	16	2	2
Profit and loss account	17	732,395	2,125,742
Shareholders' funds		732,397	2,125,744

The financial statements were approved by the Board of Directors on 21st September 2021 and signed on their behalf by



A R Taliford
Director

Notes to the financial statements

at 31 December 2020

1. Accounting policies

Statement of compliance

Lubbers (UK) Limited is a private limited liability company, limited by shares, incorporated in England. The registered office is 11 Atley Way, Cramlington, NE231WA.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2020.

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

The group in which the results of the Company are consolidated is Lubbers Transport Group B.V.

Consolidated financial statements are available at Klaverakker 1, 7761 RA Schoonebeek, Netherlands.

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of least 12 months from the date of these financial statements. In particular, the directors have considered the potential financial and operational impacts the company is facing as a result of COVID-19 which is impacting liquidity/supply chain/customer demand/personnel available for work and or being able to access offices, however detailed plans are in place to mitigate these potential impacts, if required. The company is also in a position that it can call on reserves from previous years to support the business going forward, if required. For this reason, the directors continue to adopt the going concern basis of preparation for these financial statements. Accordingly, the financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company were unable to continue as a going concern

Basis of preparation

The financial statements of Lubbers (UK) Limited have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP sterling, which is the functional currency of Lubbers (UK) Limited, and are rounded to the nearest £.

Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenues and expenses during the period.

However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgements and estimates that have had a significant effect on the financial statements.

Revenue recognition

Turnover is recognised as goods are delivered and services rendered by the company. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue is recognised when services are physically provided to the customer, usually on delivery, and represents the value of services provided to the extent that there is a right to consideration and is recorded at the value of consideration due.

Notes to the financial statements

at 31 December 2020

Other Significant Accounting Policies

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	–	over lease term
Plant and machinery	–	10% straight-line basis
Motor vehicles	–	10% to 20% straight-line basis
Equipment	–	15% to 30% straight-line basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the income statement on a straight line basis.

Operating lease agreements

Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Current and Deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Pensions

The company contributes to a defined contribution pension scheme, the assets of which are held separately from the company in an independently administered fund. Contributions to the defined contribution pension scheme are taken to income statement in the period in which they become payable.

Notes to the financial statements

at 31 December 2020

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and profit before tax are attributable to the principal activity of the company.

3. Operating Profit

This is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of owned fixed assets	333,527	298,008
Depreciation of assets held under hire purchase agreements	599,423	544,953
Operating lease rentals – land and buildings	470,000	430,000
Auditor's remuneration	37,750	28,240
Rent receivable	(70,273)	(81,939)
Foreign exchange loss	16,379	267
	<hr/>	<hr/>

4. Directors' remuneration

	2020 £	2019 £
Emoluments	470,813	462,480
Estimated benefits in kind	32,432	32,155
Pension contributions	20,906	20,336
	<hr/>	<hr/>
	524,151	514,971
	<hr/>	<hr/>

The emoluments (excluding pension contributions) of the highest paid director were £184,623 (2019 : £179,833)

The company contributes to personal pension arrangements for 2 directors (2019: 2).

Notes to the financial statements

at 31 December 2020

5. Staff costs

	2020	2019
	£	£
Wages and salaries	4,294,142	4,556,199
Social security costs	425,520	446,524
Pension costs	121,718	106,005
	<u>4,841,380</u>	<u>5,108,728</u>

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable to the Scheme and amounted to £121,718 (2019: £106,005).

Contributions amounting to £4,604 (2019: £4,088) were payable to the Scheme at year end and are included in accruals and deferred income in Note 12.

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

	No.	No.
Management	5	5
Haulage	84	82
	<u>89</u>	<u>87</u>

6. Exceptional Costs

S M Ferguson left the Company on 31 December 2020 and received £110,000 as a final settlement as compensation for loss of office.

7. Interest payable and similar charges

	2020	2019
	£	£
Finance charges under hire purchase contracts	86,090	76,955
Finance charges under short term borrowings	53,228	107,190
	<u>139,318</u>	<u>184,145</u>

Notes to the financial statements

at 31 December 2020

8. Tax

(a) Tax on profit

The tax charge is made up as follows:

	2020	2019
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit for the year	18,414	348,711
Over/(under) provision in prior year	(8)	(1,292)
Total current tax	18,406	347,419
<i>Deferred tax:</i>		
Timing differences, origination and reversal	138,703	141,348
Adjustments in respect of prior years	-	1,156
Total deferred tax (note 15)	138,703	142,504
Tax on profit	157,109	489,923

(b) Factors affecting total tax charge for the year

The tax assessed on the profit for the year is different to the standard rate of corporation tax in the UK.

The differences are explained below:

	2020	2019
	£	£
Profit before tax	639,504	2,615,665
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	121,506	496,976
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5,627	9,712
Changes in tax charges	29,985	(16,629)
Over (Under) provision in prior year	(8)	(136)
Total tax charge for the year (note 8(a))	157,109	489,923

(c) Factors that may affect future tax charges

While the 2016 Finance Act introduced a UK corporation tax rate of 17% from 1 April 2020, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, thus cancelling the enacted rate reduction. As the rate reduction reversal was substantively enacted on 11 March 2020 by the way of a special resolution, the 19% rate has been applied in calculating the company's closing deferred tax position. The budget, which took place on 3rd March 2021, announced that the rate of corporation tax will rise to the 25% from 1 April 2023 for companies with taxable profit in excess of £250,000.

Notes to the financial statements

at 31 December 2020

9. Dividends

Equity dividends

	2020	2019
	£	£
Declared and paid during the year:		
Equity dividends on 'A' shares	1,875,742	1,722,816

10. Tangible fixed assets

	<i>Leasehold property</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 January 2020	504,309	549,542	6,366,329	151,130	7,571,310
Additions	23,744	-	1,064,185	-	1,087,929
Disposals	(203,192)	(108,569)	(1,360,430)	(119,643)	(1,791,834)
At 31 December 2020	324,861	440,973	6,070,084	31,487	6,867,405
Depreciation:					
At 1 January 2020	294,671	451,732	2,958,677	147,871	3,852,951
Charge for the year	39,527	30,807	861,526	1,090	932,950
On disposals	(203,192)	(108,569)	(1,273,816)	(119,643)	(1,705,220)
At 31 December 2020	131,006	373,970	2,546,387	29,318	3,080,681
Net book value:					
At 31 December 2020	193,855	67,003	3,523,697	2,169	3,786,724
At 1 January 2020	209,638	97,810	3,407,652	3,259	3,718,359

Hire purchase agreements

Included within the net book value of £3,748,724 is £3,120,554 (2019: £2,861,817) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £599,423 (2019: £544,953).

Notes to the financial statements

at 31 December 2020

11. Debtors

	2020	2019
	£	£
Trade debtors	3,637,368	4,517,848
Other debtors	18,629	51,044
Prepayments and accrued income	212,995	257,880
Corporation tax (overpayment)	39,975	-
Amounts owed by group undertakings	35,621	37,862
	<u>3,944,588</u>	<u>4,864,634</u>

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,204,966	1,672,335
Amounts owed to group undertakings	153,734	344,139
Corporation tax recoverable	-	112,419
Other taxation and social security	874,960	664,376
Hire purchase agreements (note 14)	808,214	752,950
Amounts advanced under invoice discounting arrangements	1,824,249	642,916
Accruals and deferred income	255,256	484,551
	<u>5,121,379</u>	<u>4,673,686</u>

The company's bank facilities are secured by a debenture over all assets of the company and its hire purchase liabilities are secured on the assets to which they relate.

13. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Hire purchase agreements (note 14)	<u>1,783,796</u>	<u>1,739,144</u>

14. Obligations under hire purchase contracts

	2020	2019
	£	£
Hire purchase agreements are analysed as follows:		
Within 1 year or on demand (note 12)	808,214	752,950
Between 2 and 5 years (note 13)	1,783,796	1,739,114
	<u>2,592,010</u>	<u>2,492,064</u>

LUBBERS (UK) LIMITED

Notes to the financial statements

at 31 December 2020

15. Provisions for liabilities and charges

	2020	2019
	£	£
Deferred tax is provided as follows:		
Opening balance	254,874	112,370
Movement in the year (note 8(a))	138,703	142,504
Closing balance	393,577	254,874
Capital allowances in excess of depreciation	393,577	254,874

16. Issued share capital

	No.	2020 £	No.	2019 £
<i>Allotted, called up and fully paid</i>				
'A' Shares shares of £0.05 each	20	1	20	1
'B' Shares shares of £0.05 each	2	-	2	-
'C' Shares shares of £0.05 each	18	1	18	1
		2		2

17. Reserves

Profit and loss account

This records cumulative profit and loss less any dividends paid.

18. Other financial commitments

At 31 December 2020, the company had future minimum rentals payable under non-cancellable operating leases as follows:

	<i>Land & Buildings</i>	
	2020	2019
	£	£
Total amounts payable:		
Within one year	470,000	465,000
In two to five years	1,680,000	1,376,666
In over five years	528,750	110,000
	2,678,750	1,951,666

Notes to the financial statements

at 31 December 2020

19. Related party transactions

The company has not disclosed transactions with other Group companies and key management personnel, as it has taken advantage of the exemption contained within FRS 102.33.1A and FRS 102.33.7 on the grounds that the company is a wholly owned subsidiary.

The company has traded with a director, A R Tailford and his associated undertakings, during the year as follows:

	<i>Purchases from related party</i>	<i>Amounts owed to related party</i>
	£	£
2019	390,000	-
2020	425,000	-

20. Ultimate parent undertaking and controlling party

The company is wholly owned by Lubbers Transport Group B.V., a company incorporated in the Netherlands. The company's ultimate parent undertaking and controlling party is AAC Capital Benelux Fund III Cooperative W.A. Lubbers Transport Group B.V. is the largest entity which prepares group financial statements which include the company

Copies of the financial statements of the group are available from the company's registered office.

Klaverakker 2
7761 RA Schoonebeek
Netherlands

21. Financial instruments

	2020	2019
<i>Financial assets measured at cost:</i>		
Trade and other debtors	3,655,997	4,568,892
Amounts owed by group undertakings	-	-
<i>Financial liabilities measured at cost:</i>		
Trade and other creditors	1,204,966	1,672,335
Amounts due to group undertakings (net)	118,113	306,277