

Company Registration No. 09988136 (England and Wales)

DOE HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



DOE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	C E Doe A E Doe
Company number	09988136
Registered office	Ulting Maldon Essex CM9 6QH
Auditor	RSM UK Audit LLP Chartered Accountants Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Business address	Ulting Maldon Essex CM9 6QH
Bankers	Barclays Bank plc PO Box 3692 59 Newland Street Witham Essex CM8 2AJ

DOE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Review of the Business

Doe Holdings Limited is a privately owned and managed family business which provides a positive environment for its staff and takes a medium/long term view on investment. The Company is a holding Company for a number of family owned and controlled subsidiary businesses.

The Group's primary activities are the sale, distribution and servicing of Agricultural, Construction and Groundcare machinery, with retail/trade parts and hardware sales. It also has a Garage Forecourt supplying fuel and provisions to the retail sector and owns a number of commercial and non-commercial properties which it leases to external tenants.

The Group experienced challenging trading conditions during 2020 as a result of the COVID-19 pandemic. The effects of COVID-19 impacted our various income streams both positively and negatively. Our construction business, professional groundcare sales and domestic groundcare servicing and garage forecourt sales were temporarily adversely impacted. As the year progressed our construction customers opened up again, professional groundcare sales fell while golf courses remained closed but they were one of the first leisure activities reopened after lockdown. We temporarily ceased domestic lawnmower repairs during lockdown but having incorporated safe working practices we were able to recommence this activity. Our online offerings have experienced exponential growth compared to 2019 as a direct result of COVID-19.

Our Agricultural and Construction machinery sales reduced by 8% and 25% respectively. Agricultural sales fell from £48.9m to £44.8m and construction sales decreased from £22.5m to £16.8m.

Other areas of the business showed significant growth. Demand for our Groundcare products remained strong and turnover increased from £21.2m to £22.0m. Parts and Hardware sales grew from £23.8m to £25.2m and our Service department sales remained broadly in line with 2019 at £7.7m compared to £7.8m in the previous year.

Gross Margin % in the Ernest Doe business benefited from a robust sales performance in higher margin sectors of the business (Parts and Service) resulting in an overall improvement from 21.4% to 22.6% in the year.

Garage Forecourt sales decreased from £5.0m to £3.9m. Management continue to monitor fuel pump litres dispensed, which decreased slightly from 3.97m litres to 3.37m litres and forecourt margins, which increased from 9.2% to 10.9% through monthly management accounts analysis.

The Directors are pleased to note that during 2020 we have successfully taken on a new tenant for the former Ernest Doe Hurst Green branch site, since such time the investment property portfolio has been fully let.

Administrative expenses before the effect of asset disposals were 0.7% lower than the previous year. Whilst the Directors continue to seek cost efficiencies across the business through detailed analysis of monthly management accounts the Group is committed to attracting and retaining quality staff and continues to invest resources in the maintenance of its branch network.

The Group received government grants of £0.86m (2019: £nil) in respect of the Coronavirus Job Retention Scheme and other grants to aid business with the financial impact of the COVID-19 pandemic.

The Group continues to focus its efforts on profitable and sustainable growth and to develop its existing markets, products and locations.

Key Performance Indicators (KPIs)

The Directors manage business performance using a wide range of key performance indicators. These KPIs continue to be reviewed and developed in line with business requirements. The KPIs cover all aspects of the business including:

DOE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

- Turnover and Gross Profit performance (see commentary above)
- Stock (£29.9m vs £31.4m in 2019). Stock is monitored largely through detailed analysis of the sales of new and used machinery, the ageing of stock and future orders.
- Work in progress (£600k vs £676k in 2019) is primarily monitored by reviewing aged analysis and workshop job turnaround reports.
- Trade Debtors (£8.4m vs £5.9m in 2019). Increased sales activity in Q4 compared to 2019 has resulted in an increase in debtors as well as a continued focus on monitoring debts with the aim of reducing the Group's debt collection cycle.
- Cash. The Directors use strict cash controls in the business and utilise a daily cash flow forecast that extends outwards for the year to predict day, quarter and year end cash balances. These tight controls ensure that the Group continues to operate well within its facilities.

Non Financial KPIs

The Directors monitor staff numbers and costs closely through monthly Headcount reports (530 heads vs 541 in 2019), comparing against budgeted headcount, vacancy reports and overtime reports by branch and department.

Health and Safety

The Group has a strong and proactive Health and Safety Committee which meets regularly and analyses accidents and follow-up actions. The Committee's primary aim is to continually improve standards of health, safety and welfare for the Group and its staff.

Principal Risks, Uncertainties and Future Outlook

The Group's core customer base is spread across the Agricultural, Construction and Groundcare sectors along with the general public for hardware and other showroom sales. Commodity price sensitivity, climate and Brexit concerns affect some customers and revenue streams more than others.

The Directors have identified the following risks and mitigating factors:

COVID

General

Since 31 December 2019, the spread of COVID-19 has severely impacted many economies across the world. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Various measures have been taken by governments to contain the spread of the virus resulting in an economic slowdown. Global stock markets have experienced great volatility and governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

Impact on the Group

Trading

As set out above the effects of COVID-19 impacted our various income streams both positively and negatively.

As a result of the temporary fall in sales, lower gross margin was generated. As a result of cost mitigation actions taken by management in addition to the various forms of government support available to the Group (furlough scheme, business rates relief), we mitigated the loss of gross profit by reducing our cost base.

We furloughed up to 156 staff (approximately 30% of the workforce) employed in segments of our business where demand had reduced significantly including construction sales, domestic lawnmower repair technicians and showroom staff. The majority of those furloughed staff returned to work by the end of July 2020 and as at April 2021 no staff were on furlough.

Investment property

The Directors are of the opinion that there is little impact on the valuation of investment property at the reporting. During 2020 we have successfully taken on a new tenant for the former Ernest Doe Hurst Green branch site, thereby adding to the Group's investment property portfolio. The entire portfolio remains fully let.

COMPETITOR RISK

The Group operates in a competitive market which is influenced by price pressures and competitors attempting to buy market share. To reduce this risk, we concentrate on promoting industry leading customer service whilst operating in a diverse range of markets with a wide range of franchises.

DOE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

COMMERCIAL RELATIONSHIPS

The Group benefits from close commercial relationships with a number of key suppliers. Damage to or loss of these relationships could have a negative impact on results. Proactive management of these relationships ensures this risk is controlled. However, the Group holds the right to distribute multiple franchises and remains balanced in this risk.

FOREIGN EXCHANGE AND TREASURY POLICY

The Group does not have any significant activities outside the UK, therefore its exposure to exchange rate movements is insubstantial. Where the Group does require foreign currency to make purchases, it deploys either a forward contract strategy or an 'as needed when ordered' hedging strategy, whilst retaining sufficient amounts of foreign currency in its euro account to meet immediate needs.

PRICE, CREDIT AND LIQUIDITY RISK

The Group operates within a market where commodity prices, climate and wider economic uncertainty can impact customer confidence and thus demand (eg where farm revenues are dependent upon cereal prices). However this market risk is mitigated because the Group has diversified revenue streams within the business. The Directors recognise that the Group is exposed to a small amount of credit risk, through its account customer offering. However, through credit checking processes and controls, the Directors are confident all steps are taken to minimise this risk. The business does not have any material exposure to liquidity risk as a result of the facilities available, with cashflow managed as set out in the key performance indicators section.

BREXIT

We have carefully monitored the ramifications of the UK's exit from the EU on 31 January 2020. We anticipate that there will be no material negative impact from Brexit to our business in the medium term.

Future Outlook/Going Concern

The Directors have considered the impact on the future operations of the Group of the risk factors identified above including the COVID-19 pandemic. The Group operates across multiple sectors and there has been no significant long term reduction in demand or supply of goods to date and as such, the Directors do not anticipate any material change to the current business model as a result of COVID-19 or other risk factors. The Directors have taken steps to ensure the business is resilient to the impact of COVID-19 including ensuring employee safety, supporting customers, maximising operational robustness and creating financial security. The Group has prepared short, medium and long term forecasts, flexed for various scenarios to assess the cash requirements of the business and their headroom within available facilities. Forecasts are continually assessed as trading conditions evolve. As a result the Group continues to operate within its existing financial resources. In light of this and having reviewed the Group's forecasts and projections, the Directors are of the opinion that the Group has adequate resources and consider it appropriate for the financial statements to be prepared on a going concern basis.

SECTION 172 STATEMENT

Statement by the Directors in performance of the duty to promote the success of the Company Section 172(1) Companies Act 2006

The Directors confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the Company for the benefit of its members as a whole. In so doing they have considered, among other matters, those set out in section 172(1)(a) to (f) of the Companies Act 2006:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and environment, the desirability of the Company to maintain a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

This statement applies equally to the Directors individually and when acting collectively as the Board.

DOE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In discharging their duties in relation to section 172(1), careful consideration is given to the matters set out above.

The stakeholders we consider in this regard are primarily:

- Shareholders
- Employees
- Suppliers and Customers
- Defined benefit pension scheme members
- The Environment
- The Community

How we engage and foster strong relationships with some of our key stakeholders

Shareholders

The Chairman and Managing Director regularly engage with the shareholders and feedback significant matters raised. The Company usually holds a well attended Annual General Meeting, at which heads of business areas discuss the performance and prospects of their part of the business. Due to COVID-19 government social distancing and public gathering guidelines the Board decided not to hold an AGM in 2020. The Chairman communicated this decision to each shareholder in writing.

Employees

Our people are key to everything we do. The long-term success of the Company is dependent on its ability to attract and retain competent individuals.

To meet the growing demands of the business environment in which we operate we need a skilled workforce. We run trainee and apprenticeship schemes and currently have 14 apprentices.

We continue to invest to make our environment a better place to work and aim to become an employer of choice.

Our HR team continues to explore opportunities to improve employee engagement and we provide high class technical training to our staff, from apprenticeship level to senior staff. Our Mental Health Focus Group continues to promote awareness of and provide support for mental health in the workplace.

Noticeboards

At each location a staff noticeboard contains up to date information, including regulatory and safety procedures.

Health & safety – It is company policy that all possible steps will be taken to ensure high standards of health, safety and welfare conditions for all persons on its premises. This policy has been decided by the Board. It is the responsibility of managers to implement and for all employees to act responsibly and co-operate with the Company's safety policy and rules. All employees carry out annual online health & safety courses appropriate to their roles. The Health & Safety committee consists of 14 head office staff and each branch manager.

Suppliers and Customers

We continue to foster and develop our engagement with suppliers and customers throughout the business.

- Collaborations with our suppliers
- Manufacturer brand tracking
- Customer events including the holding of the Doe Show, the largest agricultural, construction and groundcare dealer show in the UK.

Defined benefit pension scheme members

The Company is committed to reducing the scheme's deficit whilst retaining resources to invest in the future of the business. Following the results of the regular actuarial triennial valuation of the defined benefit pension scheme, the Directors have agreed a revised pension deficit recovery contributions schedule with the Trustees of the scheme, whereby annual contributions of £525,000 from 1 January 2019 will increase by 2% per annum, the first increase applying on 31 December 2019. The recovery plan aims to remove the deficit on the ongoing valuation basis over a period to 31 May 2039.

DOE HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Environmental

The Company has a focus on improving its environmental performance. It seeks to minimise business activities which may impact on the environment by disposing of waste for recycling. Our waste management policy is driven by our commitment to reduce, re-use and recycle.

We are committed to:

- Informing our employees on environmental issues
- Improving the energy efficiency of our buildings
- Minimising our annual waste production and waste sent to landfill
- Reducing our raw material usage
- Reducing our journeys to reduce toxic emissions
- Selecting fuel efficient and low CO2 vehicles
- Working with suppliers who minimise their environmental impacts
- Encouraging energy conservation, recycling and re-use.

The Company benefits from having roof solar P.V panels on its buildings (either Company owned or by other members of the Doe Holdings Limited Group) and uses ground source heat pump technology at one of its locations. Since 2014, the Company has experienced savings of up to 20% on its annual electricity costs.

The Community

We are committed to creating and maintaining long term opportunities in our communities. In addition to becoming the employer of choice in our areas, we also seek to engage with the wider communities in which we operate. We achieve this in many ways including:

- Social Media
- Training
- County Shows

How the Board Considers Stakeholders in Decision Making

Strategy

At every general managers' meeting the Board reviews the progress of each part of the business. Board decisions are taken with reference to the long term financial success of the company and its stakeholders.

Principal Decisions during the Year

COVID-19

The impact of the COVID-19 pandemic has been unprecedented and impacted all areas of the UK economy. As part of its decision-making the Board had regard to the different interests of stakeholders but with an overall focus, as required by section 172(1) Companies Act 2006, on acting in a way that would be most likely to promote the success of the company. Throughout the pandemic key decisions have been made:

- To protect our staff by introducing working practices to ensure that they remained well and safe whilst maintaining high levels of customer service
- To protect our customers by introducing working practices to mitigate against the risk of spreading COVID-19.
- To manage liquidity and reduce costs where possible to ensure that the company operated within its funding facilities. This included participating in the government furlough scheme, VAT deferral scheme and business rates holiday scheme.
- A number of decisions were made by the Board to support the shift to working from home across the business including the provision of appropriate resources

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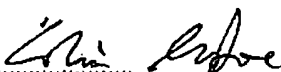
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Branch Network

The Board constantly reviews the strategic priorities of the business including its branch network. During 2020 it was decided to pursue the opportunity to open an additional branch in Kent to support our key supplier franchises in that region. In May 2021 the Company entered into a 10 year lease.

On behalf of the board



C E Doe
Director

Date: 30/06/2021

DOE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the group is that of the retail distribution of agricultural, construction and groundcare machinery, with the provision of a comprehensive after sales service supplying parts and skilled mechanical repairs, in addition to the operation of a road fuel retail business. The group retails a wide range of garden machinery, hardware, outdoor clothing, road fuel and Calor gas.

The principal activity of the company is that of a holding company.

Results and dividends

The results for the year are set out on page 14.

Ordinary dividends were paid amounting to £176,544 (2019: 188,549). The directors do not recommend payment of a final dividend.

Directors

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

C E Doe

A E Doe

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Market value of land and buildings

Information relating to changes in tangible fixed assets is given in note 12. The directors are of the opinion that the market value of properties at 31 December 2020 would significantly exceed the net book values included in the financial statements. Upon transition to FRS102, the group took advantage of the option to increase some of its freehold land and buildings to fair value as deemed cost. Some group properties are held at valuation as they are investment properties.

Disabled persons

Applications for employment from disabled persons are always fully considered, bearing in mind the respective aptitude and abilities of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. Training, career development and promotions opportunities for disabled persons are in no way different with that of other employees.

Employee involvement

The company places considerable value on the involvement of its employees via meetings through the company's management structure, notice boards and company publications. Employees' views are passed back through the management structure. Further details are given in the strategic report.

Matters of strategic importance

Future developments and financial risk analysis are not shown in the directors' report as they are instead included in the strategic report on pages 1 to 6 under S414c(11).

Auditor

The auditors, RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office.

DOE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Energy and carbon reporting

This statement of carbon emissions complies with the Streamlined Energy and Carbon Reporting (SECR) requirements covering energy consumption and associated greenhouse gas emissions relating to gas and electricity, energy intensity and information relating to energy efficiency actions.

Energy usage covered in this disclosure covers the qualifying entity of Ernest Doe & Sons Limited, as required by the Department for Business, Energy and Industrial Strategy (BEIS).

Energy usage has been calculated based on gas and electricity meter readings, extrapolated where readings were not available. Fuel usage has been calculated based on fuel purchased using supplier invoices.

The Company has used the 2020 UK Government conversion factors.

This is the first statement of carbon emissions therefore no comparative intensity ratio is available. The Directors aim to reduce the Company's energy intensity on an ongoing basis.

Energy consumption derives from the following fuel types:

Energy consumption derives from the following fuel types:

Fuel Type	Scope	2020	
		Consumption (kWh)	CO2e (tonnes)
Gas and fuel oil	Scope 1	1,802,068	415
Transportation	Scope 3	8,306,073	2,052
Electricity	Scope 2	1,078,220	251
Total		11,186,361	2,718

Intensity ratio

Total UK energy consumption (kWh) (excluding transport)	2,880,288
Total internal floor area (m2)	32,633
Intensity ratio (kWh per m2)	88.26

The Directors are committed to managing energy use responsibly and will implement energy efficiency practices throughout the organisation, wherever it is feasible and cost-effective. The Directors recognise that climate change is one of the most serious environmental challenges currently faced by the global community and understands that, as an organisation, it must play a role in reducing greenhouse gas emissions.

This includes:

- Informing our employees on environmental issues
- Improving the energy efficiency of our buildings. One of its premises is heated by a ground heat source system.
- Reducing our journeys to reduce toxic emissions
- Selecting fuel efficient and low CO2 vehicles
- Working with suppliers who minimise their environmental impacts
- Encouraging energy conservation, recycling and re-use
- Embracing LED lighting on an ongoing replacement basis to significantly reduce its building carbon footprint.
- Installing PV solar panels. The Group has previously installed 703Kwh of PV solar panels, of which 623Kwh have been utilised by Ernest Doe & Sons Limited on its premises.

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DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

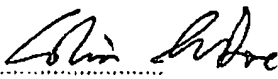
Statement of disclosure to auditor

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

Going concern

The Directors have considered the impact of the COVID-19 pandemic on the future operations of the Group. The Group operates across multiple sectors and there has been no significant long term reduction in demand or supply of goods to date and as such, the Directors do not anticipate any material change to the current business model as a result of COVID-19. The Directors have taken steps to ensure the business is resilient to the impact of COVID-19 including ensuring employee safety, supporting customers, maximising operational robustness and creating financial security. The Group has prepared short, medium and long term forecasts, flexed for various scenarios to assess the cash requirements of the business and their headroom within available facilities. Forecasts are continually assessed as the trading conditions evolve. As a result the Group has continued to operate within its existing financial resources, benefitting from strong, long term relationships with both its main machinery partners and its bankers. In light of this and having reviewed the Group's forecasts and projections, the Directors are of the opinion that the Group has adequate resources and consider it appropriate for the financial statements to be prepared on a going concern basis.

On behalf of the board


.....
C E Doe
Director


.....
A E Doe
Director

Date: 30/06/2021

DOE HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Doe Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOE HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOE HOLDINGS LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisers.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations.

The audit engagement team identified the risk of management override of controls and year end sales, purchases and stock cut-off including stock existence as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. The audit team also attended stock count procedures at multiple locations verifying the existence of stock and completed follow up procedures to ensure that the stock at the reporting date reflected the findings of these count procedures. Detailed cut-off testing was performed including a review of both manual and system automated cut-off adjustments recognised by management, and cut-off was also considered whilst performing other substantive procedures within the review of revenue and purchases.

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.

RSM UK Audit LLP

Andrew Monteith (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex, CM1 1LN
2 July 2021

DOE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	120,749,036	129,747,109
Cost of sales		(93,852,191)	(102,506,348)
Gross profit		26,896,845	27,240,761
Distribution costs		(461,997)	(326,199)
Administrative expenses		(25,912,324)	(25,941,111)
Other operating income	3	1,708,082	720,711
Operating profit	4	2,230,606	1,694,162
Interest receivable and similar income	8	6,007	4,127
Interest payable and similar expenses	9	(562,920)	(731,749)
Fair value gains and losses on investment properties	13	-	107,705
Profit before taxation		1,673,693	1,074,245
Tax on profit	10	(300,605)	(197,068)
Profit for the financial year		1,373,088	877,177
Other comprehensive income net of taxation			
Actuarial loss on defined benefit pension schemes	24	(156,000)	(736,000)
Tax relating to other comprehensive income	10	29,640	125,120
Total comprehensive income for the year		1,246,728	266,297

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

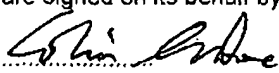
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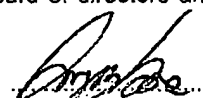
DOE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	24,324,452		25,949,359	
Investment properties	13	6,865,000		6,865,000	
		<u>31,189,452</u>		<u>32,814,359</u>	
Current assets					
Stocks	16	30,466,615		32,031,895	
Debtors	17	13,533,197		9,319,698	
Cash at bank and in hand		2,920,632		1,688,566	
		<u>46,920,444</u>		<u>43,040,159</u>	
Creditors: amounts falling due within one year	18	(37,540,232)		(36,053,881)	
Net current assets		<u>9,380,212</u>		<u>6,986,278</u>	
Total assets less current liabilities		<u>40,569,664</u>		<u>39,800,637</u>	
Creditors: amounts falling due after more than one year	19	(1,495,323)		(1,536,375)	
Provisions for liabilities	23	(340,996)		(305,101)	
Net assets excluding pension liability		<u>38,733,345</u>		<u>37,959,161</u>	
Defined benefit pension liability	24	(11,343,000)		(11,639,000)	
Net assets		<u>27,390,345</u>		<u>26,320,161</u>	
Capital and reserves					
Called up share capital	25	511,326		511,326	
Merger reserve	26	25,215		25,215	
Revaluation reserve	27	4,821,597		5,029,945	
Fair value reserve	28	3,513,412		3,527,259	
Pension reserve	29	(9,247,736)		(9,245,370)	
Profit and loss reserves	30	27,766,531		26,471,786	
Total equity		<u>27,390,345</u>		<u>26,320,161</u>	

The financial statements were approved by the board of directors and authorised for issue on 30/06/2021 and are signed on its behalf by:


C E Doe
Director

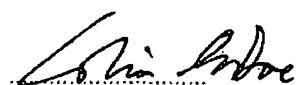

A E Doe
Director

DOE HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	14		4,370,422		4,370,422
Current assets					
Debtors	17	7,523,250		7,423,250	
Cash at bank and in hand		60,245		52,607	
		<u>7,583,495</u>		<u>7,475,857</u>	
Creditors: amounts falling due within one year	18	<u>(104,406)</u>		<u>(118,299)</u>	
Net current assets			<u>7,479,089</u>		<u>7,357,558</u>
Total assets less current liabilities			<u>11,849,511</u>		<u>11,727,980</u>
Creditors: amounts falling due after more than one year	19		<u>(565,250)</u>		<u>(565,250)</u>
Net assets			<u><u>11,284,261</u></u>		<u><u>11,162,730</u></u>
Capital and reserves					
Called up share capital	25		511,326		511,326
Profit and loss reserves	30		<u>10,772,935</u>		<u>10,651,404</u>
Total equity			<u><u>11,284,261</u></u>		<u><u>11,162,730</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £298,075 (2019 - £303,815).

The financial statements were approved by the board of directors and authorised for issue on 30/06/2021 and are signed on its behalf by:



C E Doe
Director



A E Doe
Director

DOE HOLDINGS LIMITED

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

	Notes	Share capital £	Merger reserve £	Revaluation reserve £	Fair value reserve £	Pension reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		511,326	25,215	5,129,821	3,419,554	(9,452,870)	26,609,367	26,242,413
Year ended 31 December 2019:								
Profit for the year		-	-	-	-	-	877,177	877,177
Other comprehensive income net of taxation:								
Actuarial gains on defined benefit plans		-	-	-	-	-	(736,000)	(736,000)
Tax relating to other comprehensive income		-	-	-	-	-	125,120	125,120
Total comprehensive income for the year		-	-	-	-	-	266,297	266,297
Dividends	11	-	-	-	-	-	(188,549)	(188,549)
Transfers		-	-	(99,876)	107,705	207,500	(215,329)	-
Balance at 31 December 2019		511,326	25,215	5,029,945	3,527,259	(9,245,370)	26,471,786	26,320,161

DOE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Merger reserve £	Revaluation reserve £	Fair value reserve £	Pension reserve £	Profit and loss reserves £	Total £
Year ended 31 December 2020:								
Balance at 1 January 2020		511,326	25,215	5,029,945	3,527,259	(9,245,370)	26,471,786	26,320,161
Profit for the year		-	-	-	-	-	1,373,088	1,373,088
Other comprehensive income net of taxation:								
Actuarial gains on defined benefit plans		-	-	-	-	-	(156,000)	(156,000)
Tax relating to other comprehensive income		-	-	-	-	-	29,640	29,640
Total comprehensive income for the year		-	-	-	-	-	1,246,728	1,246,728
Dividends	11	-	-	-	-	-	(176,544)	(176,544)
Transfers		-	-	-	-	(23,894)	23,894	-
Transfers		-	-	(208,348)	(13,847)	21,528	200,667	-
Balance at 31 December 2020		511,326	25,215	4,821,597	3,513,412	(9,247,736)	27,766,531	27,390,345

DOE HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		511,326	10,536,138	11,047,464
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	303,815	303,815
Dividends	11	-	(188,549)	(188,549)
Balance at 31 December 2019		511,326	10,651,404	11,162,730
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	298,075	298,075
Dividends	11	-	(176,544)	(176,544)
Balance at 31 December 2020		511,326	10,772,935	11,284,261

DOE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	37	6,024,839		6,212,445	
Interest paid		(336,920)		(423,749)	
Income taxes paid		(170,056)		(330,377)	
Net cash inflow from operating activities		5,517,863		5,458,319	
Investing activities					
Purchase of business		-	(290,477)		
Purchase of tangible fixed assets		(1,668,151)	(1,764,341)		
Proceeds on disposal of tangible fixed assets		5,861,966	5,589,164		
Interest received		6,007	4,127		
Net cash generated from investing activities		4,199,822		3,538,473	
Financing activities					
Proceeds from borrowings		10,000	80,000		
Repayment of borrowings		(15,000)	(25,000)		
Payment of finance leases obligations		(6,538,120)	(7,209,038)		
Dividends paid to equity shareholders		(176,544)	(188,549)		
Net cash used in financing activities		(6,719,664)		(7,342,587)	
Net increase in cash and cash equivalents		2,998,021		1,654,205	
Cash and cash equivalents at beginning of year		(2,294,406)		(3,948,611)	
Cash and cash equivalents at end of year		703,615		(2,294,406)	
Relating to:					
Cash at bank and in hand		2,920,632		1,688,566	
Bank overdrafts included in creditors payable within one year		(2,217,017)		(3,982,972)	

Major non-cash transactions

During the year the group entered into hire purchase contracts in respect of assets with a total capital value at inception of the contracts of £5,044,189 (2019: £7,398,700).

DOE HOLDINGS LIMITED

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

1 Accounting policies

Company information

Doe Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Ulting, Maldon, Essex, CM9 6QH.

The group consists of Doe Holdings Limited and all of its subsidiaries. Further detail is included in note 15.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' - compensation for key management personnel

The financial statements of the company are included within these consolidated financial statements of Doe Holdings Limited.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Basis of consolidation

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

The consolidated financial statements of Doe Holdings Limited treat the group as if it had always existed. Accordingly, in those years when mergers take place, the whole of the results, assets, liabilities and equity of the merged companies are consolidated, regardless of the actual merger date and corresponding figures for previous years are restated.

Under the merger method of accounts, the carrying value of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to the merger reserve. Any existing balances on the share premium account or capital redemption reserve of the legal subsidiaries are shown in the merger reserve, being £1,393 relating to Ernest Doe & Sons Limited and £23,822 relating to Colchester Tractors Limited.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Going concern

The Directors have considered the impact of the COVID-19 pandemic on the future operations of the Group. The Group operates across multiple sectors and there has been no significant long term reduction in demand or supply of goods to date and as such, the Directors do not anticipate any material change to the current business model as a result of COVID-19. The Directors have taken steps to ensure the business is resilient to the impact of COVID-19 including ensuring employee safety, supporting customers, maximising operational robustness and creating financial security. The Group has prepared short, medium and long term forecasts, flexed for various scenarios to assess the cash requirements of the business and their headroom within available facilities. Forecasts are continually assessed as the trading conditions evolve. As a result the Group has continued to operate within its existing financial resources, benefitting from strong, long term relationships with both its main machinery partners and its bankers. In light of this and having reviewed the Group's forecasts and projections, the Directors are of the opinion that the Group has adequate resources and consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover

Turnover represents the invoiced value, net of Value Added Tax and trade discounts, of goods sold and services provided to customers. Turnover for agricultural, construction and groundcare machinery is recognised on date of delivery. Retail sales are recognised on date of collection or delivery and service invoices are recognised when work has been completed.

Tangible fixed assets

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

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Over 50 years on cost or 32 years on deemed cost on a straight line basis
Plant and machinery	Between 10% and 20% on cost
Motor vehicles	25% of written down value
Hire fleet - machinery that is available for hire	Construction equipment, forklifts and groundcare machinery 10/15% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The group took advantage of paragraph 35.10(c) of Chapter 35 of FRS 102 to restate some of its freehold land and buildings to fair value as deemed cost upon transition to FRS 102 on 1 January 2014, or deemed transition under merger accounting. These properties are held at this deemed cost, being their fair value at the date of transition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value is usually considered to be their market value. The revaluation gain upon transition was recognised directly in equity. Subsequent impairment losses are recognised in other comprehensive income and accumulated in equity, except to the extent that an impairment loss exceeds the revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

Some of the group's freehold land and buildings were revalued in 1980 and the valuation at that date was taken as the deemed cost upon transition to FRS 102 on 1 January 2014. The accumulated depreciation at the transition date was also carried over upon transition to FRS 102. These properties are held at this deemed cost, less accumulated depreciation at the transition date and any subsequent accumulated depreciation and subsequent accumulated impairment losses. Subsequent impairment losses are recognised in other comprehensive income and accumulated in equity, except to the extent that an impairment loss exceeds the revaluation gains recognised in equity, such gains and loss are recognised in profit or loss.

Excess depreciation arising from any revaluation is the subject of an annual transfer from the profit and loss reserve to the revaluation reserve, net of deferred taxation, over the remaining useful economic life of the asset to which it relates.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Impairment of fixed assets

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

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

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

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

Stocks

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

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

Cash and cash equivalents

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

Financial Instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts owed to group companies, accruals, other loans and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

Equity instruments

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

Preference shares

Dividends on preference shares classified as liabilities are presented within interest payable and similar expenses.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

For non-depreciable assets measured using the deemed cost model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost. The change in net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

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

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

All other leases are "operating leases" and the annual rentals, including lease incentives, are charged to profit and loss on a straight line basis over the lease term except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Likewise, where the group acts as a lessor all annual rentals are credited to profit and loss on a straight line basis over the lease term.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Provisions

The group has recognised provisions for impairment of inventories, impairment of trade receivables and income tax in its financial statements which requires management to make judgements.

The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Fair value of investment properties

The group's investment properties are held at fair value arrived at by the directors. In arriving at the fair value estimate, management sought the assistance of local chartered surveyors. The valuation has been based on a number of comparables within the local area. Further details are given in note 13 to the financial statements.

Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives of the company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Deferred tax

In accordance with FRS 102, the deferred tax liabilities arising from the fair value gain on freehold land and buildings and investment properties and from asset disposals have been recognised within the financial statements. Management have given consideration to the expected timing of reversal of such liabilities in arriving at the rate utilised to measure the deferred tax arising.

Deferred tax assets are recognised only to the extent that the directors consider that they can be reliably measured and it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Defined benefit pension scheme

The valuation of the defined benefit pension scheme is based on a number of assumptions. Further details can be found in note 24.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Machinery - agricultural & construction	61,550,128	70,513,523
Parts, service & horticultural machinery	55,274,260	54,254,351
Road fuel retailing	3,924,648	4,979,235
	<u>120,749,036</u>	<u>129,747,109</u>

	2020 £	2019 £
Other revenue		
Commissions received	48,631	45,003
Grants received	862,585	-
Rental income arising from investment properties	725,133	664,331
Other income	71,733	11,377
	<u>1,708,082</u>	<u>720,711</u>

Grants received includes income in respect of the government Coronavirus Job Retention Scheme and government grants to aid businesses with the financial impact of the COVID-19 pandemic.

Further segmental and geographical information is not disclosed as in the opinion of the directors it would be seriously prejudicial to the interests of the group.

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	29,745	6,576
Government grants	(862,585)	-
Depreciation of owned tangible fixed assets	1,587,072	1,516,716
Depreciation of tangible fixed assets held under finance leases	1,025,915	1,007,998
Profit on disposal of tangible fixed assets	(137,706)	(306,366)
Increase/(decrease) in stock provision	129,111	(437,341)
Operating lease charges	<u>103,682</u>	<u>120,748</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	19,045	19,830
Audit of the financial statements of the company's subsidiaries	38,630	35,250
	<u>57,675</u>	<u>55,080</u>
For other services		
Taxation compliance services	16,495	16,835
All other non-audit services	29,465	29,755
	<u>45,960</u>	<u>46,590</u>
For services in respect of associated pension schemes		
Audit	6,770	6,605
All other non-audit services	-	4,360
	<u>6,770</u>	<u>10,965</u>

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Sales and distribution	433	436	-	-
Administration	97	105	-	-
Total	<u>530</u>	<u>541</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	15,272,951	15,026,469	-	-
Social security costs	1,384,957	1,418,158	-	-
Other pension costs	191,378	203,556	-	-
Defined contribution pension costs	1,169,085	1,070,994	-	-
	<u>18,018,371</u>	<u>17,719,177</u>	<u>-</u>	<u>-</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	376,770	348,099
Company pension contributions to defined contribution schemes	31,500	34,500
	<u>408,270</u>	<u>382,599</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 0 (2019 - 0) as the scheme is closed to future accruals.

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

	2020 £	2019 £
Remuneration for qualifying services	<u>235,889</u>	<u>233,830</u>

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	1,445	4,127
Other interest income	4,562	-
Total income	<u>6,007</u>	<u>4,127</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,445</u>	<u>4,127</u>
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DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Dividends on redeemable preference shares not classified as equity	19,044	19,044
Other interest on financial liabilities	183,376	275,703
	<u>202,420</u>	<u>294,747</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	134,500	128,673
Net interest on the net defined benefit liability	226,000	308,000
Other interest	-	329
	<u>562,920</u>	<u>731,749</u>

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	193,933	171,274
Adjustments in respect of prior periods	3,359	(178,154)
	<u>197,292</u>	<u>(6,880)</u>
Deferred tax		
Origination and reversal of timing differences	283,030	196,191
Changes in tax rates	(177,383)	-
Adjustment in respect of prior periods	(2,334)	7,757
	<u>103,313</u>	<u>203,948</u>
Total tax charge	<u>300,605</u>	<u>197,068</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	<u>1,673,693</u>	<u>1,074,245</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	318,002	204,107
Tax effect of expenses that are not deductible in determining taxable profit	14,986	5,082
Tax effect of income not taxable in determining taxable profit	(3,480)	(20,504)
Gains not taxable	5,756	17,070
Tax effect of utilisation of tax losses not previously recognised	-	170,421
Adjustments in respect of prior years	1,025	(170,397)
Effect of change in corporation tax rate	(82,044)	(18,980)
Fixed asset timing differences	<u>46,360</u>	<u>10,269</u>
Taxation charge	<u>300,605</u>	<u>197,068</u>

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £	2019 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	<u>(29,640)</u>	<u>(125,120)</u>

11 Dividends

	2020 £	2019 £
Recognised as distributions to equity holders:		
Interim paid	<u>176,544</u>	<u>188,549</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2020	15,212,542	19,227,291	6,184,870	40,624,703
Additions	25,329	5,997,974	689,037	6,712,340
Disposals	-	(7,290,304)	(655,307)	(7,945,611)
At 31 December 2020	15,237,871	17,934,961	6,218,600	39,391,432
Depreciation and impairment				
At 1 January 2020	2,778,441	8,328,999	3,567,904	14,675,344
Depreciation charged in the year	281,192	1,677,070	754,725	2,612,987
Eliminated in respect of disposals	-	(1,642,449)	(578,902)	(2,221,351)
At 31 December 2020	3,059,633	8,263,620	3,743,727	15,066,980
Carrying amount				
At 31 December 2020	12,178,238	9,671,341	2,474,873	24,324,452
At 31 December 2019	12,434,101	10,898,292	2,616,966	25,949,359

The company had no tangible fixed assets at 31 December 2020 or 31 December 2019.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Plant and machinery	3,628,767	4,763,476	-	-
Motor vehicles	1,608,534	1,993,249	-	-
	5,237,301	6,756,725	-	-

Certain freehold land and buildings with a carrying value of £8,765,619 (2019: £8,962,230) are included at a valuation less accumulated depreciation. If these assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets (Continued)

	Group 2020 £	2019 £	Company 2020 £	2019 £
Cost	4,386,695	4,386,695	-	-
Accumulated depreciation	(1,412,858)	(1,344,588)	-	-
Carrying value	<u>2,973,837</u>	<u>3,042,107</u>	<u>-</u>	<u>-</u>

13 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 January 2020 and 31 December 2020	<u>6,865,000</u>	<u>-</u>

Investment properties were last valued on a fair value basis as at 31 December 2018. The revalued amount of £6,865,000 resulted from valuations of the properties by Kemsley LLP, Chartered Surveyors, and by Fenn Wright, Chartered Surveyors, in accordance with the RICS Valuation Global Standards, 2017. The directors believe there has been no change since this valuation.

The historical cost of the investment properties held at 31 December 2020 was £3,220,050 (2019: £3,220,050).

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	<u>-</u>	<u>-</u>	<u>4,370,422</u>	<u>4,370,422</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2020 and 31 December 2020	4,370,422
Carrying amount	
At 31 December 2020	4,370,422
At 31 December 2019	4,370,422

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
Colchester Tillage Limited	Ulting, Maldon, Essex, CM9 6QH	Dormant	Ordinary	-	100.00
Colchester Tractors Investments Limited	As above	Property investment	Ordinary	100.00	-
Colchester Tractors Limited	As above	Property investment	Ordinary	100.00	-
Doe Finance Limited	As above	Dormant	Ordinary	-	100.00
Doe Motors Finance Limited	As above	Property investment	Ordinary	100.00	-
Doe Motors Limited	As above	Road fuel retailing	Ordinary	100.00	-
Doe Plant Hire Limited	As above	Dormant	Ordinary	-	99.00
Ernest Doe & Sons Limited	As above	Agricultural, construction and turf-care machinery	Ordinary	100.00	-
Ernest Doe Industrial Limited	As above	Dormant	Ordinary	-	99.00
G J Garrett & Sons Limited	As above	Dormant	Ordinary	-	100.00
Harper & Eede Limited	As above	Dormant	Ordinary	-	100.00

All of the above companies are incorporated in the United Kingdom and are included in this consolidation.

The non-controlling interests in Doe Plant Hire Limited and Ernest Doe Industrial Limited are considered by the directors to be wholly immaterial to the group.

The following subsidiary companies have taken the exemption in Section 479A of the Companies Act 2006 from the requirement for their individual accounts to be audited:

Doe Motors Limited (registered number 00466213)
Doe Motors Finance Limited (registered number 00894643)
Colchester Tractors Limited (registered number 00435291)
Colchester Tractors Investments Limited (registered number 10279022)

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Work in progress	600,066	676,440	-	-
Finished goods and goods for resale	29,866,549	31,355,455	-	-
	<u>30,466,615</u>	<u>32,031,895</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	8,381,627	5,866,461	-	-
Corporation tax recoverable	49,829	77,065	-	-
Amounts owed by group undertakings	-	-	7,523,250	7,423,250
Other debtors	476,093	1,395,173	-	-
Prepayments and accrued income	3,943,261	1,560,833	-	-
	<u>12,850,810</u>	<u>8,899,532</u>	<u>7,523,250</u>	<u>7,423,250</u>
Deferred tax asset (note 23)	382,387	420,166	-	-
	<u>13,233,197</u>	<u>9,319,698</u>	<u>7,523,250</u>	<u>7,423,250</u>
Amounts falling due after more than one year:				
Other debtors	300,000	-	-	-
	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>13,533,197</u>	<u>9,319,698</u>	<u>7,523,250</u>	<u>7,423,250</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	20	2,217,017	3,982,972	-	-
Obligations under finance leases	21	2,709,197	4,167,500	-	-
Other borrowings	20	225,000	230,000	-	-
Trade creditors		20,009,832	16,465,803	-	-
Amounts owed to group undertakings		-	-	88,119	88,119
Corporation tax payable		-	-	16,287	30,180
Other taxation and social security		2,440,557	1,259,271	-	-
Other creditors		959,559	1,263,648	-	-
Accruals and deferred income		8,979,070	8,684,687	-	-
		<u>37,540,232</u>	<u>36,053,881</u>	<u>104,406</u>	<u>118,299</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	21	922,981	958,609	-	-
Other borrowings	20	565,250	565,250	565,250	565,250
Other creditors		7,092	12,516	-	-
		<u>1,495,323</u>	<u>1,536,375</u>	<u>565,250</u>	<u>565,250</u>

20 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank overdrafts	2,217,017	3,982,972	-	-
Preference shares	565,250	565,250	565,250	565,250
Other loans	225,000	230,000	-	-
	<u>3,007,267</u>	<u>4,778,222</u>	<u>565,250</u>	<u>565,250</u>
Payable within one year	2,442,017	4,212,972	-	-
Payable after one year	565,250	565,250	565,250	565,250

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Borrowings (Continued)

The company has in issue 41,775 (2019: 41,775) "A" Preference shares, 513,098 (2019: 513,098) "A" Cumulative Preference shares and 10,377 (2019: 10,377) "B" Preference shares.

The "A" Preference shares carry no voting rights and carry preferential rights to the "A" Ordinary and "A" Cumulative Preference shares in respect of dividend distributions that relate to or are derived from Ernest Doe & Sons Limited, at a rate of 7% per annum on the amount paid up. They also carry preferential rights to the "A" Ordinary and "A" Cumulative Preference shares in respect of capital distributions that relate to or are derived from Ernest Doe & Sons Limited, in the amount of any unpaid dividend.

The "A" Cumulative Preference shares carry no voting rights and carry preferential rights to the "A" Ordinary shares in respect of dividend distributions that relate to or are derived from Ernest Doe & Sons Limited, at a rate of 3% per annum on the amount paid up, subject to the rights of the "A" Preference shares. They also carry preferential rights to the "A" Ordinary shares in respect of capital distributions that relate to or are derived from Ernest Doe & Sons Limited, in the amount of any unpaid dividend, subject to the rights of the "A" Preference shares.

The "B" Preference shares carry no voting rights and carry preferential rights to the "B" Ordinary shares in respect of dividend distributions that relate to or are derived from Colchester Tractors Limited, at a rate of 7% per annum on the amount paid up. They also carry preferential rights to the "B" Ordinary shares in respect of capital distributions that relate to or are derived from Colchester Tractors Limited, in the amount of any unpaid dividend.

The preference shareholders have no rights in the event of a winding up beyond arrears of dividend and repayment of capital. They also have no rights to receive notice of, or attend and vote at company meetings unless in the case of "A" cumulative preference shareholders dividends fall over 6 months into arrears.

Redemption of the preference shares is at the option of the company, and they are redeemed in full or in part by the company giving notice to the relevant holder, on which date the shares shall be redeemed. At the balance sheet date, the company had not issued a redemption notice. The latest date on which the company can effect redemption is on the event of a winding up. No premium is payable on redemption.

21 Finance lease obligations

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	2,792,371	4,259,391	-	-
Between one and five years	1,009,111	1,054,908	-	-
	<u>3,801,482</u>	<u>5,314,299</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(169,304)	(188,190)	-	-
	<u>3,632,178</u>	<u>5,126,109</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Obligations under finance leases are secured over the assets to which they relate.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Provisions for liabilities

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Deferred tax liabilities	23	340,996	305,101	-	-

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group has a legally enforceable right to do so. The major deferred tax liabilities and assets recognised by the group are:

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
Accelerated capital allowances	-	-	(762,159)	(593,273)
Revaluation of land	340,996	305,101	-	-
Revaluation of buildings	-	-	(629,190)	(585,077)
Defined benefit pension scheme	-	-	2,155,170	1,978,630
Investment property	-	-	(131,537)	(117,692)
Tax deferred via rollover relief & held over gains	-	-	(264,193)	(276,374)
Other timing differences	-	-	14,296	13,952
	340,996	305,101	382,387	420,166

The company has no deferred tax assets or liabilities.

	Group 2020 £	Company 2020 £
Movements in the year:		
Asset at 1 January 2020	(115,065)	-
Charge to profit or loss	236,000	-
Credit to other comprehensive income	(29,640)	-
Effect of change in tax rate - profit or loss	(132,686)	-
Asset at 31 December 2020	(41,391)	-

£Nil of the deferred tax liability relating to the reversal of timing differences on revalued buildings is expected to reverse in the next 12 months. £191,617 of the deferred tax liability is expected to reverse within 12 months and relates to accelerated capital allowances and other timing differences. The amount and timing of the crystallisation of deferred tax liabilities depends on future tax rates and reliefs, and the timing of future purchases and disposals of assets.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Retirement benefit schemes

Defined contribution schemes

Doe Holdings Limited operates no defined contribution pension schemes.

Ernest Doe & Sons Limited contributes to a number of defined contribution pension schemes. During 2001 a defined contribution scheme was introduced for those employees who were previously members of the defined benefit scheme (active-deferred members) so long as those members contribute a minimum of 3% basic salary. From July 2009 the members were offered the option to make salary sacrifice payments into this scheme which the majority of members accepted. During 2020 £392,808 (2019: £382,785) was paid into this scheme. Ernest Doe & Sons Limited also operates a scheme under the Government's Pension Auto Enrolment Legislation under which £714,300 was contributed during the year (2019: £624,400). Ernest Doe & Sons Limited also made contributions of £58,919 (2019: £62,394) to other defined contribution schemes.

Doe Motors Limited operates a scheme under the government's Pension Auto Enrolment Legislation under which £3,058 was contributed during the year (2019: £1,415).

The assets of all schemes are held separately from those of the group in independently administered funds. At the year end £94,458 was accrued in relation to outstanding contributions (2019: £92,769).

Defined benefit schemes

Doe Holdings Limited operates no defined benefit pension schemes.

Ernest Doe & Sons Limited operates a defined benefit pension scheme, the Ernest Doe & Sons Limited Pension Fund, which provides benefit based on final pensionable salary. The assets of the scheme are held separately from those of the group being invested in managed funds with pension investment companies.

Ernest Doe & Sons Limited is the sole sponsoring employer of the fund.

On 2 January 2001 the scheme was closed to new members. On 31 December 2001 all active members of the scheme became paid up.

The fund is a trust based Occupational Pension Scheme that is governed by the Trust Deed and Rules dated 6 April 1997. The pension fund assets are held in a separate trustee administered fund to meet long term liabilities to past employees.

Valuation

A full actuarial valuation of the Ernest Doe & Sons Limited Pension Fund, using the projected unit method, was carried out as at 31 December 2018. This has been updated to 31 December 2020 by a qualified independent actuary for the purposes of FRS 102.

At the date of the last full valuation the fund had 277 members, of whom 203 were deferred members of the Scheme. The Scheme closed to future accrual on 31 December 2001.

The most recent triennial funding valuation of the pension scheme showed that on 31 December 2018 there was a shortfall of £16,442,000 on an ongoing basis. A recovery plan has been agreed aimed at removing the deficit on the ongoing valuation basis over a period of 20 years and 5 months to 31 May 2039. This requires payment of £525,000 per annum in equal monthly instalments commencing with effect from 1 January 2019. These contributions will increase by 2% per annum, the first increase applying on 31 December 2019. In addition, the employer will meet the costs of administration, levies and death in service insurance premiums.

In December 2018 a company nominated trustee was appointed who is independent from the scheme. Two of the five trustees (2019: two of the five) are member nominated.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Retirement benefit schemes (Continued)

	2020	2019
<i>Key assumptions</i>	%	%
Discount rate	1.45	2.00
Expected rate of increase of pensions in payment	3.60	3.60
Expected rate of salary increases	5.00	5.00
Inflation assumption	3.10	3.10
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2020	2019
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	20.7	20.9
- Females	22.7	22.8
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	21.7	21.9
- Females	24.0	24.0
	<u> </u>	<u> </u>
	2020	2019
<i>Amounts recognised in the income statement</i>	£	£
Net interest on defined benefit liability	226,000	308,000
	<u> </u>	<u> </u>
	2020	2019
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(3,632,000)	(4,672,000)
Less: calculated interest element	692,000	881,000
	<u> </u>	<u> </u>
Return on scheme assets excluding interest income	(2,940,000)	(3,791,000)
Actuarial changes related to obligations	3,096,000	4,527,000
	<u> </u>	<u> </u>
Total costs	156,000	736,000
	<u> </u>	<u> </u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Retirement benefit schemes (Continued)

The amounts included in the statement of financial position arising from obligations in respect of defined benefit plans are as follows:

Group	2020 £	2019 £
Present value of defined benefit obligations	48,795,000	46,963,000
Fair value of plan assets	(37,452,000)	(35,324,000)
Deficit in scheme	<u>11,343,000</u>	<u>11,639,000</u>

	2020 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2020	46,963,000
Benefits paid	(2,182,000)
Actuarial gains and losses	3,096,000
Interest cost	918,000
At 31 December 2020	<u>48,795,000</u>

The defined benefit obligations arise from plans which are wholly or partly funded.

	2020 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2020	35,324,000
Interest income	692,000
Return on plan assets (excluding amounts included in net interest)	2,940,000
Benefits paid	(2,182,000)
Contributions by the employer	678,000
At 31 December 2020	<u>37,452,000</u>

The actual return on plan assets £3,632,000 (2019: £4,672,000).

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Retirement benefit schemes (Continued)

The analysis of the scheme assets at the reporting date were as follows:

	Group 2020 £	2019 £
Equity instruments	19,266,000	18,497,000
Debt instruments	8,831,000	4,173,000
Insured pensions	5,250,000	5,556,000
Structured investments	583,000	2,972,000
Other	3,522,000	4,126,000
	<u>37,452,000</u>	<u>35,324,000</u>

25 Share capital

	Group and Company			
	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary 'A' shares of £1 each	240,100	240,100	240,100	240,100
Ordinary 'B' shares of £1 each	223,226	223,226	223,226	223,226
Ordinary 'C' shares of £1 each	48,000	48,000	48,000	48,000
	<u>511,326</u>	<u>511,326</u>	<u>511,326</u>	<u>511,326</u>

"A" Ordinary shares are non-redeemable and carry full voting rights, and full distribution rights in respect of dividends and capital that relate to or are derived from Ernest Doe & Sons Limited, subject to the rights of the "A" Preference and "A" Cumulative Preference shares.

"B" Ordinary shares are non-redeemable and carry full voting rights, and full distribution rights in respect of dividends and capital that relate to or are derived from Colchester Tractors Limited, subject to the rights of the "B" Preference shares.

"C" Ordinary shares are non-redeemable and carry full voting rights, and full distribution rights in respect of dividends and capital that relate to or are derived from Doe Motors Limited.

Additionally, the company has in issue 565,250 (2019: 565,250) redeemable preference shares of £1 each, which are classified as liabilities and their terms are set out in note 20.

26 Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by subsidiaries plus the fair value of other consideration, and the nominal value of shares received. It also includes existing balances on the share premium accounts and capital redemption reserves of subsidiaries.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

27 Revaluation reserve

The revaluation reserve represents the cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses in respect of investment properties recognised in profit or loss, net of deferred tax. Excess depreciation in respect of revalued fixed assets has been transferred to the revaluation reserve from the profit and loss account reserve.

28 Fair value reserve

The fair value reserve represents cumulative fair value gains and losses on investment properties measured at fair value, net of the associated deferred tax.

29 Pension reserve

The pension reserve represents the cumulative actuarial gains and losses on the defined benefit pension scheme, net of deferred tax. This reserve forms part of overall distributable reserves.

30 Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners and amounts transferred to the pension reserve.

31 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in relation to contracts to repurchase used machines totalling £2,076,069 (2019: £2,085,524) if required to do so by the customer. A time analysis is given below.

2021: £427,896
2022: £420,780
2023: £1,059,211
2024: £168,182

In accordance with Section 479C of the Companies Act 2006, Doe Holdings Limited has provided a guarantee over the liabilities of certain members of the group. Further details are given in note 15.

32 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	52,730	76,730	-	-
Between one and five years	25,400	63,500	-	-
	<u>78,130</u>	<u>140,230</u>	<u>-</u>	<u>-</u>

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

32 Operating lease commitments (Continued)

Lessor

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	604,380	587,604	-	-
Between one and five years	1,361,433	1,774,178	-	-
In over five years	87,717	1,745,958	-	-
	<u>2,053,530</u>	<u>4,107,740</u>	<u>-</u>	<u>-</u>

33 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Acquisition of tangible fixed assets	<u>3,056,926</u>	<u>4,579,174</u>	<u>-</u>	<u>-</u>

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who include the directors, is as follows.

	2020	2019
	£	£
Aggregate compensation	<u>697,933</u>	<u>665,927</u>

35 Directors' transactions

Dividends totalling £36,554 (2019: £42,366) were paid in the year in respect of ordinary and preference shares held by the company's directors.

The group paid rent of £12,700 during the year (2019: £12,700) to Mr C E Doe for land which it farms on a commercial basis. At the year end £Nil (2019: £Nil) was payable in this respect. Mr C E Doe loaned amounts totalling £Nil (2019: £Nil) and was repaid £15,000 (2019: £Nil) by the group during the year. £15,000 (2019: £30,000) was outstanding in this respect at the year end and interest of £592 (2019: £827) was paid during the year in respect of this loan.

36 Controlling party

In the opinion of the directors there is deemed to be no one controlling party.

DOE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

37 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,373,088	877,177
Adjustments for:		
Taxation charged	300,605	197,068
Finance costs	562,920	731,749
Investment income	(6,007)	(4,127)
Gain on disposal of tangible fixed assets	(137,706)	(306,366)
Fair value gains on reclassification to investment property from freehold property	-	(107,705)
Depreciation and impairment of tangible fixed assets	2,612,987	2,524,714
Pension scheme non-cash movement	(678,000)	(794,000)
Movements in working capital:		
Decrease in stocks	1,565,280	2,345,276
(Increase)/decrease in debtors	(4,278,514)	1,600,159
Increase/(decrease) in creditors	4,710,186	(851,500)
Cash generated from operations	6,024,839	6,212,445

38 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	New finance leases £	31 December 2020 £
Cash at bank and in hand	1,688,566	1,232,066	-	2,920,632
Bank overdrafts	(3,982,972)	1,765,955	-	(2,217,017)
	(2,294,406)	2,998,021	-	703,615
Borrowings excluding overdrafts	(795,250)	5,000	-	(790,250)
Obligations under finance leases	(5,126,109)	6,538,120	(5,044,189)	(3,632,178)
	(8,215,765)	9,541,141	(5,044,189)	(3,718,813)