

Company Registration No. 00035630 (England and Wales)

WEBSTER & HORSFALL LIMITED
ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015
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WEBSTER & HORSFALL LIMITED

COMPANY INFORMATION

Directors Mr C A Coldwell-Horsfall
Mr G Stokes
Mr R H Coldwell-Horsfall
Mr J Coldwell-Horsfall
Mr G R Coshan

Company number 00035630

Registered office Hay Mills
Coventry Road
Birmingham
West Midlands
B25 8DW

Auditor Jerroms
The Exchange
Haslucks Green Road
Shirley
Solihull
West Midlands
B90 2EL

Bankers National Westminster Bank Plc
PO Box 4641
103 Colmore Row
Birmingham
B3 3NR

Solicitors Higgs & Sons
Blythe House
134 High Street
Brierley Hill
West Midlands
DY5 3BG

WEBSTER & HORSFALL LIMITED

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WEBSTER & HORSFALL LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present the strategic report for the Period ended 31 December 2015.

Fair review of the business

The last 6 months has seen significant change as we lay the foundations for sustainable growth across our operation. Our mission of becoming a world class manufacturer and service provider of specialist wire and related products through innovation, quality and investment in people remains our primary focus as we move towards our 300th anniversary in 2020.

Principal risks and uncertainties

Webster & Horsfall Limited has had a very difficult year due to a combination of one-off restructuring costs and reduced demand driven by falling global commodity prices. We have also amended the accounting policy for valuing work in progress which has resulted in a large decrease in the stock valuation at the period end. Some of this revaluation relates to prior years resulting in a fluctuation with the gross profit margin. The directors feel the new accounting policy for work in progress will bring a more realistic valuation of stock bringing into account the market conditions.

Development and performance

Despite these difficulties, Webster & Horsfall continues to make progress on many fronts including health & safety, capital investment, planning systems, work organisation, employee engagement, research & development and process control.

Key performance indicators

The gross profit margin for the year ending 30th December 2015 was 14% on a turnover of £3.2m. In terms of liquidity, the current ratio (current assets/current liabilities) increased from a multiple of 3.8 in June 2015 to 4.7 in December 2015. On time deliveries in full averaged 88.4% during the 6 month period compared to 70.8% in the previous period. Improving this metric is a key target for 2016.

On behalf of the board



Mr R H Coldwell-Horsfall

Director

19 September 2016

WEBSTER & HORSFALL LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the Period ended 31 December 2015.

Principal activities

The principal activity of the company continued to be that of the manufacture of wire from steel rods and stockists of machinery, strip metal and additional wire products.

Directors

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

Mr C A Coldwell-Horsfall

Mr G Stokes

Mr R H Coldwell-Horsfall

Mr J Coldwell-Horsfall

Mr M Sewell

(Resigned 10 June 2016)

Mr G R Coshan

Results and dividends

The results for the Period are set out on page 5.

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

Auditor

The auditor, Jerroms, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

WEBSTER & HORSFALL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr R H Coldwell-Horsfall

Director

19 September 2016

WEBSTER & HORSFALL LIMITED

INDEPENDENT AUDITOR'S REPORT TO WEBSTER & HORSFALL LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 25, together with the financial statements of Webster & Horsfall Limited for the Period ended 31 December 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Mr Mark James Eden F.C.C.A. (Senior Statutory Auditor)
for and on behalf of Jerroms**

19.09.16
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**Chartered Certified Accountants
Statutory Auditor**

The Exchange
Haslucks Green Road
Shirley
Solihull
West Midlands
B90 2EL

WEBSTER & HORSFALL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2015

		6 months ended 31 December 2015 £	12 months ended 30 June 2015 £
	Notes		
Turnover	3	3,195,784	8,607,834
Other operating income and cost of sales		(2,726,128)	(6,176,331)
Administrative expenses		(1,101,854)	(2,546,333)
Operating loss	4	(632,198)	(114,830)
Interest receivable and similar income	7	496	1,028
Interest payable and similar charges	8	(26,383)	(51,729)
Loss before taxation		(658,085)	(165,531)
Taxation	9	290,139	57,769
Loss for the financial Period	26	(367,946)	(107,762)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WEBSTER & HORSFALL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015

	6 Months ended 31 December 2015 £	12 Months ended 30 June 2015 £
Loss for the Period	(367,946)	(107,762)
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>(367,946)</u>	<u>(107,762)</u>

WEBSTER & HORSFALL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2015	
		£	£	£	£
Fixed assets					
Goodwill	10		12,000		12,500
Tangible assets	11		-		802,999
Investments	12		2		2
			<u>12,002</u>		<u>815,501</u>
Current assets					
Stocks	15	1,513,610		1,963,873	
Debtors	16	2,249,599		2,126,544	
Cash at bank and in hand		176,086		562,974	
		<u>3,939,295</u>		<u>4,653,391</u>	
Creditors: amounts falling due within one year	17	(835,166)		(1,208,776)	
Net current assets			<u>3,104,129</u>		<u>3,444,615</u>
Total assets less current liabilities			<u>3,116,131</u>		<u>4,260,116</u>
Creditors: amounts falling due after more than one year	18		(462,797)		(1,037,884)
Provisions for liabilities	22		177,197		(23,755)
Net assets			<u>2,830,531</u>		<u>3,198,477</u>
Capital and reserves					
Called up share capital	24		232,805		232,805
Capital redemption reserve	25		162,195		162,195
Profit and loss reserves	26		2,435,531		2,803,477
Total equity			<u>2,830,531</u>		<u>3,198,477</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 19 September 2016 and are signed on its behalf by:



Mr R H Coldwell-Horsfall
Director

Company Registration No. 00035630

WEBSTER & HORSFALL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2015

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2014		232,805	162,195	2,911,239	3,306,239
Period ended 30 June 2015:					
Loss and total comprehensive income for the period		-	-	(107,762)	(107,762)
Balance at 30 June 2015		232,805	162,195	2,803,477	3,198,477
Period ended 31 December 2015:					
Loss and total comprehensive income for the period		-	-	(367,946)	(367,946)
Balance at 31 December 2015		<u>232,805</u>	<u>162,195</u>	<u>2,435,531</u>	<u>2,830,531</u>

WEBSTER & HORSFALL LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2015 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(416,000)		(1,406,369)
Interest paid			(26,383)		(51,729)
Income taxes (paid)/refunded			-		103,605
			<u> </u>		<u> </u>
Net cash outflow from operating activities			(442,383)		(1,354,493)
Investing activities					
Purchase of tangible fixed assets		2		(646,797)	
Proceeds on disposal of tangible fixed assets		781,103		1,317,360	
Proceeds from other investments and loans		1,248		2,496	
Interest received		496		1,028	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			782,849		674,087
Financing activities					
Repayment of bank loans		(33,322)		559,938	
Payment of finance leases obligations		(694,032)		658,474	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(727,354)		1,218,412
Net (decrease)/increase in cash and cash equivalents			(386,888)		538,006
Cash and cash equivalents at beginning of Period			562,974		24,968
			<u> </u>		<u> </u>
Cash and cash equivalents at end of Period			176,086		562,974

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Webster & Horsfall Limited is a company limited by shares incorporated in England and Wales. The registered office is Hay Mills, Coventry Road, Birmingham, West Midlands, B25 8DW.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets

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

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

Plant and machinery	6.67% straight line
Motor vehicles	25% straight line

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

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

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

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

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

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

1.7 Stocks

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

Work in progress is valued as raw material price plus conversion costs incurred to date on non-finished goods. The degree of completion is determined by the production process stage at the period end. The conversion cost is calculated as an average selling price, less the raw material price, less a gross profit margin of 26%.

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

1.8 Cash and cash equivalents

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

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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 company after deducting all of its liabilities.

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

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

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

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

1.15 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.16 Foreign exchange

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

2 Change in accounting policy

In the current Period, the following accounting policies were reviewed and amended by directors with regards to stock and work in progress. These policies have been adopted by the company and have an effect on the current period.

- Half Product – The Board has changed the policy from 50% work in progress to 25% work in progress as this is deemed as a more accurate assumption.
- Stainless Steel Depreciation – The Board has changed the policy to reflect the fact that unlike carbon steel, stainless steel does not deteriorate over time, therefore depreciation is no longer applied to Stainless Steel.
- Work in progress was originally calculated based on 100% of raw material price plus 50% of the conversion costs incurred to date. This period, work in progress has been calculated based on 100% of raw material price plus conversion costs determined based on the degree of completion. The degree of completion is determined by the production process stage at the period end.

3 Turnover and other revenue

	2015 £	2015 £
Total turnover	3,195,784	8,607,834
Other significant revenue		
Interest income	496	1,028
Grants received	20,317	31,903

4 Operating loss

	2015 £	2015 £
Operating loss for the period is stated after charging/(crediting):		
Exchange (losses)/gains	7,873	(6,847)
Research and development costs	-	22,065
Government grants	(20,317)	(31,903)
Fees payable to the company's auditor for the audit of the company's financial statements	9,500	10,000
Depreciation of owned tangible fixed assets	-	450
Depreciation of tangible fixed assets held under finance leases	26,734	43,130
Profit on disposal of tangible fixed assets	(4,840)	(378)
Amortisation of intangible assets	500	1,000
Cost of stocks recognised as an expense	1,843,840	4,285,784
Operating lease charges	193,080	271,050

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

5 Employees

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

	2015 Number	2015 Number
Production	54	84
Administrative	17	30
	<u>71</u>	<u>114</u>

Their aggregate remuneration comprised:

	2015 £	2015 £
Wages and salaries	1,015,952	2,555,080
Pension costs	9,563	38,296
	<u>1,025,515</u>	<u>2,593,376</u>

6 Directors' remuneration

	2015 £	2015 £
Remuneration for qualifying services	<u>116,718</u>	<u>267,587</u>

7 Interest receivable and similar income

	2015 £	2015 £
Interest income		
Interest on bank deposits	<u>496</u>	<u>1,028</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>496</u>	<u>1,028</u>
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WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

8 Interest payable and similar charges

	2015 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,452	42,228
Interest on finance leases and hire purchase contracts	11,931	9,501
	<u>26,383</u>	<u>51,729</u>

9 Taxation

	2015 £	2015 £
Current tax		
Adjustments in respect of prior periods	(89,187)	-
	<u>(89,187)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(200,952)	(57,769)
	<u>(200,952)</u>	<u>(57,769)</u>
Total tax charge	<u>(290,139)</u>	<u>(57,769)</u>

The actual charge for the Period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2015 £
Loss before taxation	(658,085)	(165,531)
	<u>(658,085)</u>	<u>(165,531)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(131,617)	(33,106)
Tax effect of expenses that are not deductible in determining taxable profit	500	876
Adjustments in respect of prior years	(89,187)	-
Depreciation on assets not qualifying for tax allowances	24,463	(92,789)
Deferred taxation	(200,952)	(57,769)
Unutilised losses	111,494	125,019
Profit on sale of fixed assets	(4,840)	-
	<u>(290,139)</u>	<u>(57,769)</u>
Tax expense for the period	<u>(290,139)</u>	<u>(57,769)</u>

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

10 Intangible fixed assets

	£
Cost	
At 1 July 2015 and 31 December 2015	20,000
Amortisation and impairment	
At 1 July 2015	7,500
Amortisation charged for the Period	500
At 31 December 2015	8,000
Carrying amount	
At 31 December 2015	12,000
At 30 June 2015	12,500

11 Tangible fixed assets

	Plant and Motor vehicles machinery		Total
	£	£	£
Cost			
At 1 July 2015	810,069	62,892	872,961
Disposals	(810,069)	(62,892)	(872,961)
At 31 December 2015	-	-	-
Depreciation and impairment			
At 1 July 2015	33,702	36,262	69,964
Depreciation charged in the Period	22,513	4,221	26,734
Eliminated in respect of disposals	(56,215)	(40,483)	(96,698)
At 31 December 2015	-	-	-
Carrying amount			
At 31 December 2015	-	-	-
At 30 June 2015	776,368	26,631	802,999

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

11 Tangible fixed assets

(Continued)

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

	2015 £	2015 £
Plant and machinery	-	776,368
Motor vehicles	-	26,631
	<u>-</u>	<u>802,999</u>
	<u>-</u>	<u>802,999</u>
Depreciation charge for the Period in respect of leased assets	26,734	43,130
	<u>26,734</u>	<u>43,130</u>

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

12 Fixed asset investments

	2015 £	2015 £
Unlisted investments	2	2

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation At 1 July 2015 & 31 December 2015	2
Carrying amount At 31 December 2015	2
At 30 June 2015	2

13 Subsidiaries

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Reddiwire Limited	England and Wales	Dormant	100.00	
Mills and Driver Limited	England and Wales	Dormant	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Reddiwire Limited	-	2
Mills and Driver Limited	-	10,000

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

14 Financial instruments

	2015 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,064,013	2,123,534
Equity instruments measured at cost less impairment	2	2
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,106,711	2,149,201
	<u> </u>	<u> </u>

15 Stocks

	2015 £	2015 £
Raw materials and consumables	922,780	520,313
Work in progress	222,902	336,685
Finished goods and goods for resale	367,928	1,106,875
	<u> </u>	<u> </u>
	1,513,610	1,963,873
	<u> </u>	<u> </u>

16 Debtors

	2015 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,457,366	1,659,071
Corporation tax recoverable	89,187	-
Amount due from parent undertaking	592,299	443,342
Amounts due from joint ventures	9,898	11,112
Other debtors	4,450	10,009
Prepayments and accrued income	96,399	3,010
	<u> </u>	<u> </u>
	2,249,599	2,126,544
	<u> </u>	<u> </u>

17 Creditors: amounts falling due within one year

	Notes	2015 £	2015 £
Bank loans and overdrafts	19	69,951	51,433
Obligations under finance leases	20	-	170,785
Trade creditors		365,741	563,222
Other taxation and social security		191,252	97,459
Accruals and deferred income		208,222	325,877
		<u> </u>	<u> </u>
		835,166	1,208,776
		<u> </u>	<u> </u>

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

18 Creditors: amounts falling due after more than one year

	Notes	2015 £	2015 £
Bank loans and overdrafts	19	462,797	514,637
Obligations under finance leases	20	-	523,247
		<u>462,797</u>	<u>1,037,884</u>

19 Loans and overdrafts

	2015 £	2015 £
Bank loans	532,748	566,070
Payable within one year	69,951	51,433
Payable after one year	462,797	514,637
	<u>69,951</u>	<u>51,433</u>

A charge was created on 2 July 2015, with RBS Invoice Finance Limited, for a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, building fixtures and fixed plant and machinery.

An Intergroup guarantee was created on 27 June 2014 to National Westminster Bank Plc.

A debenture was created on 29 January 2004, with National Westminster Bank plc. for a fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, building fixtures and fixed plant and machinery.

A guarantee was provided dated 29 November 2011 to National Westminster Bank plc for the loan of £750,000 taken by Latch & Batchelor Limited.

20 Finance lease obligations

	2015 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	-	170,785
In two to five years	-	523,247
	<u>-</u>	<u>694,032</u>

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

21 Provisions for liabilities

		2015 £	2015 £
Deferred tax liabilities	22	-	23,755
		-	23,755
		<u> </u>	<u> </u>

22 Deferred taxation

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

	Liabilities 2015 £	Liabilities 2015 £
Balances:		
ACAs	-	148,774
Tax losses	(177,197)	(125,019)
	<u> </u>	<u> </u>
	(177,197)	23,755
	<u> </u>	<u> </u>

	2015 £
Movements in the Period:	
Liability at 1 July 2015	23,755
Credit to profit or loss	(200,952)
	<u> </u>
Liability/(Asset) at 31 December 2015	(177,197)
	<u> </u>

23 Retirement benefit schemes

	2015 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,563	38,296
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £9,563 (2015 - £38,296).

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2015

24 Share capital	2015	2015
	£	£
Ordinary share capital		
Issued and fully paid		
97,726 Ordinary A shares of £1 each	97,726	97,726
135,079 Ordinary B shares of £1 each	135,079	135,079
	<u>232,805</u>	<u>232,805</u>
25 Capital redemption reserve	2015	2015
	£	£
At beginning and end of Period	162,195	162,195
	<u>162,195</u>	<u>162,195</u>
26 Profit and loss reserves	2015	2015
	£	£
At the beginning of the Period	2,803,477	2,911,239
Loss for the Period	(367,946)	(107,762)
At the end of the Period	<u>2,435,531</u>	<u>2,803,477</u>
27 Cash generated from operations	2015	2015
	£	£
Loss for the year after tax	(367,946)	(107,762)
Adjustments for:		
Taxation credited	(290,139)	(57,769)
Finance costs	26,383	51,729
Investment income	(496)	(1,028)
Gain on disposal of tangible fixed assets	(4,840)	(378)
Amortisation and impairment of intangible assets	500	1,000
Depreciation and impairment of tangible fixed assets	26,734	43,580
Movements in working capital:		
Decrease/(increase) in stocks	450,263	(713,232)
(Increase) in debtors	(35,116)	(285,670)
(Decrease) in creditors	(221,343)	(336,839)
Cash absorbed by operations	<u>(416,000)</u>	<u>(1,406,369)</u>

WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2015

28 Auditor's liability limitation agreement

The company has, by resolution, waived the need for approval of the auditors' limitation liability, which has been set at £500,000 within the letter of engagement dated 12 July 2016. This approval has been confirmed in the letter of representation dated 14 September 2016.