

Company registration number 01296660 (England and Wales)

RICHARD WESTERN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

RICHARD WESTERN LIMITED

COMPANY INFORMATION

Directors	Mr Richard Western Mr Angus Western
Secretary	Mr Angus Western
Company number	01296660
Registered office	D'Urbans Farm Framlingham Woodbridge Suffolk IP13 9RP
Auditor	Jamieson Alexander Audit Limited Unit B2 The Point Weaver Road Lincoln LN6 3QN

RICHARD WESTERN LIMITED

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RICHARD WESTERN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present the strategic report for the year ended 31 January 2023.

Review of the business

The year ended 31 January 2023 was another strong year of progress for Richard Western Limited. The principal activity of the company throughout the year continued to be the manufacture and sale of agricultural equipment.

The Directors consider the results of the year to be strong with considerable progress made towards achieving our strategic objectives. The results demonstrate the strength of the business, which include our long-standing reputation for quality, our trusted reputation in the marketplace with both our customers and suppliers, and our growing presence in overseas markets. All of which combined, together with a buoyant market supporting high selling prices, creates the backdrop for a strong year, and it is pleasing to see the efforts of all our staff pay off.

Principal risks and uncertainties

Credit risk

The company's main financial assets are trade receivables, stock and cash and bank balances. Those assets represent the company's main exposure to credit risk, which is a risk that a counterparty will fail to discharge its obligations, resulting in financial loss to the company. Whilst the company does provide goods and services to many large customers it is not reliant on any of these to continue its operations, with this in mind the Directors believe that credit risk is both limited and mitigated.

Competitive risk

The company operates in a highly competitive industry and faces competition from a number of sources. This competition may lead to pricing pressure which could result in squeezed profit margins and potential loss of business to other market players. The Directors continually monitor this risk, and the company holds a strong position in the market and is highly regarded within the industry.

Regulation risk

The company operates in an industry which is subject to numerous laws and regulations covering a wide range of matters including health and safety, employment and other operating issues. The company is continually ensuring that the compliance demands of these regulatory factors are met and the Directors have ensured that the policies and culture in relation to this are well communicated to all employees.

Finance risk

The company funded its operations for the year through a combination of retained profits and internally generated cash and asset-backed finance arrangements.

Economic risk

The company operates predominantly in the agricultural sector which can be susceptible to adverse economic conditions, such as weather, harvest yields and soft commodity prices, which can affect demand for our products.

Raw material costs of steel and component parts fluctuate due to global supply chain issues, which the company closely monitors including those related to the ongoing conflict in Ukraine.

The company mitigates these risks by ensuring that it continually improves its production processes, improving quality and maintaining the strong brand image based on over 50 years of trading, controlling costs by fixing prices and other procurement strategies and providing consistent supportive after sales service to its customer base.

RICHARD WESTERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Development and performance

The business returned a profit before tax of £351,000 (restated 2022 - £117,000), from a turnover of £14,056,000 (2022 - £11,087,000) and gross margin of £1,877,000 (2021 - £1,356,000).

Turnover on an aggregate basis has increased by 27% and significant progress was made against our objective of increasing export sales, which increased by 139% over the previous financial year. It was particularly pleasing to see that this strong revenue performance was not at the expense of our gross profitability, with our gross profit margin increasing to 13.4% for the year ended 31 January 2023 versus 12.2% for the prior year.

The year ended with £2,018,000 of net assets, which shows the continuing strength of the balance sheet. The directors consider the business to be well-positioned to address the challenges and opportunities that the coming year will bring. These could include weakening demand in the short term as consumer confidence reduces in the face of adverse macroeconomic conditions and an anticipated fall in the price of steel. Whilst the potential insolvency of our competitors presents us with an opportunity, those that remain are likely to create an environment of strong competition. However, the directors remain confident the company's position and reputation in the marketplace, both domestic and overseas, will continue to increase.

Key performance indicators

The performance of the business is monitored using several key performance indicators, most notably turnover growth and profit before tax. These KPIs are discussed above.

On behalf of the board

Mr Angus Western
Director

19 October 2023

RICHARD WESTERN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their annual report and financial statements for the year ended 31 January 2023.

Principal activities

The principal activity of the company continued to be that of the manufacture and sale of agricultural machinery.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. 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:

Mr Richard Western

Mr Angus Western

Research and development

During the period, we engaged in research and development activities to further improve the competitiveness of our products in the marketplace.

Post reporting date events

In June 2023 there was an incident in the factory which concerned the welfare of one of our employees. As this event occurred after the date the financial statements were made up to no provision has been made in the accounts.

Future developments

The company anticipates increasing productivity of operations and increasing export sales as a percentage of turnover.

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.

RICHARD WESTERN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

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 Angus Western
Director

19 October 2023

RICHARD WESTERN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RICHARD WESTERN LIMITED

Qualified opinion

We have audited the financial statements of Richard Western Limited (the 'company') for the year ended 31 January 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were appointed as auditor of the company on 2 November 2022 and thus did not observe the counting of physical inventories at the end of the prior period. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 January 2022, which are included in the opening balance sheet at £1,854,000, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK 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 qualified opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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.

RICHARD WESTERN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RICHARD WESTERN LIMITED

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.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the company and the sector in which it operates;
- We perform our work to ensure that the entity is complying with its legal and regulatory framework; and
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

RICHARD WESTERN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RICHARD WESTERN LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK);
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals; and
- Assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

The company's financial statements for the financial year ended 31 January 2022 were unaudited.

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.

Mr James Rylatt
Senior Statutory Auditor
For and on behalf of Jamieson Alexander Audit Limited

19 October 2023

Chartered Accountants
Statutory Auditor

Unit B2
The Point
Weaver Road
Lincoln
LN6 3QN

RICHARD WESTERN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2023

		2023	2022
	Notes	£000's	as restated £'000s
Turnover	4	14,056	11,087
Cost of sales		(12,179)	(9,731)
Gross profit		1,877	1,356
Distribution costs		(191)	(150)
Administrative expenses		(1,289)	(1,056)
Other operating income		-	1
Operating profit	5	397	151
Interest receivable and similar income	9	1	-
Interest payable and similar expenses	10	(47)	(34)
Profit before taxation		351	117
Tax on profit	11	(5)	84
Profit for the financial year		346	201

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

RICHARD WESTERN LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2023

		2023	2022
	Notes	£000's	as restated £'000s
Fixed assets			
Tangible assets	12	2,052	1,764
Current assets			
Stocks	13	1,533	1,854
Debtors	14	2,473	2,154
Cash at bank and in hand		282	-
		4,288	4,008
Creditors: amounts falling due within one year	15	(3,148)	(3,079)
Net current assets		1,140	929
Total assets less current liabilities		3,192	2,693
Creditors: amounts falling due after more than one year	16	(923)	(784)
Provisions for liabilities			
Provisions	18	43	34
Deferred tax liability	19	208	203
		(251)	(237)
Net assets		2,018	1,672
Capital and reserves			
Called up share capital	21	1	1
Profit and loss reserves		2,017	1,671
Total equity		2,018	1,672

The financial statements were approved by the board of directors and authorised for issue on 19 October 2023 and are signed on its behalf by:

Mr Angus Western
Director

Company Registration No. 01296660

RICHARD WESTERN LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2023

	Share capital	Profit and loss reserves	Total
	£000's	£000's	£000's
As restated for the period ended 31 January 2022:			
Balance at 1 February 2021	1	1,486	1,487
Effect of change in accounting policy (see note 26)	-	(16)	(16)
	<hr/>	<hr/>	<hr/>
As restated	1	1,470	1,471
Year ended 31 January 2022:			
Profit and total comprehensive income for the year	-	201	201
	<hr/>	<hr/>	<hr/>
Balance at 31 January 2022	1	1,671	1,672
Year ended 31 January 2023:			
Profit and total comprehensive income for the year	-	346	346
	<hr/>	<hr/>	<hr/>
Balance at 31 January 2023	<u>1</u>	<u>2,017</u>	<u>2,018</u>

RICHARD WESTERN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

		2023	2022
	Notes	£000's	as restated £'000s
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	24		
		655	(160)
Interest received		1	-
Interest paid		(47)	(34)
Income taxes refunded		-	145
Net cash inflow/(outflow) from operating activities		609	(49)
Investing activities			
Purchase of tangible fixed assets		(492)	(553)
Proceeds from disposal of tangible fixed assets		1	67
Repayment of loans		(9)	(17)
Net cash used in investing activities		(500)	(503)
Financing activities			
Proceeds from new bank loans		356	458
Repayment of bank loans		(153)	(343)
Net cash generated from financing activities		203	115
Net increase/(decrease) in cash and cash equivalents		312	(437)
Cash and cash equivalents at beginning of year		(30)	407
Cash and cash equivalents at end of year		282	(30)
Relating to:			
Cash at bank and in hand		282	-
Bank overdrafts included in creditors payable within one year		-	(30)

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

Company information

Richard Western Limited is a private company limited by shares incorporated in England and Wales. The registered office is D'Urbans Farm, Framlingham, Woodbridge, Suffolk, IP13 9RP.

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 thousand.

The financial statements have been prepared under the historical cost convention. 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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially and subsequently measured at cost, net of depreciation and any impairment losses. Tangible fixed assets with a cost of less than £5,000 are written off to the profit and loss account.

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:

Freehold buildings	50 years on straight line basis
Leasehold land and buildings	Life of lease
Plant and equipment	25% reducing balance basis
Office equipment	25% reducing balance basis
Motor vehicles	25% reducing balance basis

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

Freehold land and assets in the course of construction are not depreciated.

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.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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.

The 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.

1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.7 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.

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

1.8 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 balance sheet 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 publicly 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.

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

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 payments 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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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 company.

1.10 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.

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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 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.

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

2 Change in accounting policy

In previous financial periods the company valued certain freehold and leasehold property at market valuation. The directors have elected to record all property, plant and equipment at historic cost.

Owing to the company's size and growth, the directors have introduced a de-minimis threshold for the capitalisation of tangible fixed assets of £5,000.

These changes in accounting policy have been introduced on the basis that they provide more relevant and reliable information about the company's financial position and performance.

Details of the impact of these changes in accounting policy are set out in Note 26.

3 Judgements and key sources of estimation uncertainty

In the application of the company'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.

4 Turnover and other revenue

	2023 £000's	2022 £000's
Other revenue		
Interest income	1	-
Grants received	-	1
	<u> </u>	<u> </u>

Turnover, which is derived in all material respects from a single class of business, arises in the United Kingdom save for £2,455,000 (2022 - £987,000) of export sales.

5 Operating profit

	2023 £000's	2022 £000's
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(1)
Depreciation of owned tangible fixed assets	204	197
Profit on disposal of tangible fixed assets	(1)	(16)
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2023 £000's	2022 £000's
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12	-
	<u> </u>	<u> </u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

7 Employees

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

	2023 Number	2022 Number
Production	48	44
Administration	12	11
Distribution	1	1
	<hr/>	<hr/>
Total	61	56
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	2023 £000's	2022 £000's
Wages and salaries	2,284	1,935
Social security costs	243	186
Pension costs	37	39
	<hr/>	<hr/>
	2,564	2,160
	<hr/>	<hr/>

8 Directors' remuneration

	2023 £000's	2022 £000's
Remuneration for qualifying services	69	74
Company pension contributions to defined contribution schemes	9	9
	<hr/>	<hr/>
	78	83
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

9 Interest receivable and similar income

	2023 £000's	2022 £000's
Interest income		
Other interest income	1	-
	<hr/>	<hr/>

10 Interest payable and similar expenses

	2023 £000's	2022 £000's
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	47	34
	<hr/>	<hr/>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

11 Taxation

	2023 £000's	2022 £000's
Current tax		
UK corporation tax on profits for the current period	-	(159)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	54	75
Other adjustments	(49)	-
	<u> </u>	<u> </u>
Total deferred tax	5	75
	<u> </u>	<u> </u>
Total tax charge/(credit)	5	(84)
	<u> </u>	<u> </u>

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £000's	2022 £000's
Profit before taxation	351	117
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	67	22
Tax effect of utilisation of tax losses not previously recognised	-	(106)
Permanent capital allowances in excess of depreciation	(38)	-
Deferred tax adjustments in respect of prior years	(49)	-
Deferred tax at enacted rate	25	-
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	5	(84)
	<u> </u>	<u> </u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

12 Tangible fixed assets

	Freehold buildings	Leasehold land and buildings	Plant and equipment	Office equipment	Motor vehicles	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation						
At 1 February 2022	814	277	2,405	16	201	3,713
Additions	-	-	492	-	-	492
	<u>814</u>	<u>277</u>	<u>2,897</u>	<u>16</u>	<u>201</u>	<u>4,205</u>
At 31 January 2023	814	277	2,897	16	201	4,205
Depreciation and impairment						
At 1 February 2022	63	277	1,527	15	67	1,949
Depreciation charged in the year	15	-	154	1	34	204
	<u>78</u>	<u>277</u>	<u>1,681</u>	<u>16</u>	<u>101</u>	<u>2,153</u>
At 31 January 2023	78	277	1,681	16	101	2,153
Carrying amount						
At 31 January 2023	736	-	1,216	-	100	2,052
	<u>751</u>	<u>-</u>	<u>878</u>	<u>1</u>	<u>134</u>	<u>1,764</u>
At 31 January 2022	751	-	878	1	134	1,764

Freehold land and buildings with a carrying amount of £736,000 (2022 - £751,000) have been pledged to secure a bank loan and overdraft facility of the company.

Included within the carrying value of tangible fixed assets are assets held under hire purchase contracts with a total carrying value of £892,000 (2022 - £584,000). The amounts falling due are secured on the underlying assets.

13 Stocks

	2023 £000's	2022 £000's
Raw materials and consumables	885	1,168
Work in progress	295	291
Finished goods and goods for resale	353	395
	<u>1,533</u>	<u>1,854</u>
	<u>1,533</u>	<u>1,854</u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

14 Debtors

	2023	2022
	£000's	£000's
Amounts falling due within one year:		
Trade debtors	2,391	1,812
Corporation tax recoverable	5	5
Other debtors	67	272
Prepayments and accrued income	10	65
	<u>2,473</u>	<u>2,154</u>

15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£000's	£000's
Bank loans and overdrafts	17	213	179
Trade creditors		1,365	1,723
Taxation and social security		226	48
Other creditors		1,186	1,047
Accruals and deferred income		158	82
		<u>3,148</u>	<u>3,079</u>

The company utilises a with recourse invoice financing facility which is secured on trade debtors. At the reporting date, a total of £1,178,000 (2022 - £1,003,000) was owed by the company.

16 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£000's	£000's
Bank loans and overdrafts	17	923	784
		<u>923</u>	<u>784</u>

In addition to a fixed charge, long-term borrowings are secured by fixed and floating charges over all assets of the company, including present and future property, chattels, book and other debts and uncalled share capital.

Amounts included above which fall due after five years are as follows:

Payable by instalments	194	233
	<u>194</u>	<u>233</u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

17 Loans and overdrafts

	2023 £000's	2022 £000's
Bank loans	1,136	933
Bank overdrafts	-	30
	<u>1,136</u>	<u>963</u>
Payable within one year	213	179
Payable after one year	<u>923</u>	<u>784</u>

18 Provisions for liabilities

	2023 £000's	2022 £000's
Warranty provision	<u>43</u>	<u>34</u>
Movements on provisions:		Warranty provision £000's
At 1 February 2022		34
Additional provisions in the year		22
Utilisation of provision		<u>(13)</u>
At 31 January 2023		<u>43</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £000's	Liabilities 2022 £000's
Balances:		
Accelerated capital allowances	392	367
Tax losses	(184)	(159)
Other short term timing differences	<u>-</u>	<u>(5)</u>
	<u>208</u>	<u>203</u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

19 Deferred taxation (Continued)

	2023 £000's
Movements in the year:	
Liability at 1 February 2022	203
Credit to profit or loss	(59)
Effect of change in tax rate - profit or loss	64
Liability at 31 January 2023	<u>208</u>

The deferred tax liability set out above is expected to reverse as tangible fixed assets are depreciated over their useful economic lives and relates in all material respects to accelerated capital allowances that are expected to mature within the same period and tax losses.

20 Retirement benefit schemes

	2023 £000's	2022 £000's
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>37</u>	<u>39</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.

Pension contributions of £3,000 were outstanding at the reporting date (2022 - £6,000).

21 Share capital

	2023 Number	2022 Number	2023 £000's	2022 £000's
Ordinary share capital				
Issued and fully paid				
Ordinary 'A' shares of of £1 each	600	600	1	1
Ordinary 'B' shares of of £1 each	<u>400</u>	<u>400</u>	<u>-</u>	<u>-</u>

The ordinary 'B' shares rank, in all material respects, pari passu with the class 'A' shares, save for the fact they do not carry voting rights.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2023 £000's	Sales 2022 £000's	Purchases 2023 £000's	Purchases 2022 £000's
Other entities controlled by the same ultimate controlling party	<u>310</u>	<u>28</u>	<u>428</u>	<u>115</u>
			2023	2022

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

22 Related party transactions (Continued)

Amounts due to related parties	£000's	£000's
Other entities controlled by the same ultimate controlling party	54	5
	<u>54</u>	<u>5</u>

The amounts due to, and from, related parties are unsecured and will be cash settled.

The following amounts were outstanding at the reporting end date:

	2023 £000's	2022 £000's
Amounts due from related parties		
Other entities controlled by the same ultimate controlling party	18	13
	<u>18</u>	<u>13</u>

The amounts due to, and from, related parties are unsecured and will be cash settled.

23 Directors' transactions

In both the current and preceding financial years, the company occupied land owned by a director at a peppercorn rent.

Description	% Rate	Opening balance £000's	Amounts advanced £000's	Amounts repaid £000's	Closing balance £000's
Loan repayable on demand	-	19	7	(7)	19
Loan repayable on demand	-	-	7	-	7
		<u>19</u>	<u>14</u>	<u>(7)</u>	<u>26</u>

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

24 Cash generated from/(absorbed by) operations

	2023 £000's	2022 £'000s
Profit for the year after tax	346	201
Adjustments for:		
Taxation charged/(credited)	5	(84)
Finance costs	47	34
Investment income	(1)	-
Gain on disposal of tangible fixed assets	(1)	(16)
Depreciation and impairment of tangible fixed assets	204	197
Increase in provisions	9	12
Movements in working capital:		
Decrease/(increase) in stocks	321	(1,075)
Increase in debtors	(310)	(319)
Increase in creditors	35	890
Cash generated from/(absorbed by) operations	655	(160)

25 Analysis of changes in net debt

	1 February 2022 £000's	Cash flows £000's	31 January 2023 £000's
Cash at bank and in hand	-	282	282
Bank overdrafts	(30)	30	-
	(30)	312	282
Borrowings excluding overdrafts	(933)	(203)	(1,136)
	(963)	109	(854)

26 Prior period adjustments

In previous financial periods the company valued certain freehold and leasehold property at market valuation. The directors have elected to record all property, plant and equipment at historic cost on the basis that this provides a more reliable metric. Depreciation thereon has been charged retrospectively.

Owing to the company's size and growth, the directors have introduced a de-minimis threshold for the capitalisation of tangible fixed assets of £5,000.

The impact on the comparative financial statements as previously reported is:

- The elimination of a revaluation reserve of £437,000 as of 1 February 2021 and a corresponding reduction in tangible fixed assets as of that date;
- A further reduction of £16,000 in the carrying value of tangible fixed assets as of 1 February 2021 and a corresponding reduction in retained earnings as of that date; and
- A reduction of £21,000 in the carrying value of tangible fixed assets as of 31 January 2022 and a corresponding decrease in the profit reported in the year ended 31 January 2022.

The current year impact of these changes is not material.

RICHARD WESTERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

27 Ultimate controlling party

The ultimate controlling party is Mr R Western, a director and the majority shareholder.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.