Company Registration No. 1181171

THOMPSONS OF PRUDHOE LIMTED

Report and Financial Statements

31 March 2013

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Thompson
J Thompson Jnr
J H Burdon
F W Hurst
K P Robson

SECRETARY

J Thompson

REGISTERED OFFICE

Princess Way
Low Prudhoe
Northumberland
NE42 6PL

BANKERS

Barclays Bank plc
71 Grey Street
Newcastle upon Tyne
NE1 6EF

SOLICITORS

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE PROSPECTS

Thompsons of Prudhoe Limited is a wholly owned subsidiary of Thompsons of Prudhoe Holding Limited.

The principal activity of the company is earthworks, including excavation, demolition, waste management, recycling, skip hire and haulage.

The company has seen a decrease in continuing turnover of £0.6m to £19.0m, being 3%. Gross profits decreased by £0.1m to £8.7m, being an increase in gross margin from 45% to 46%.

Distribution and administration costs have remained stable. Overall, following finance costs, the company is reporting a profit before tax of £237,538 (2012: proft of 323,489). The balance sheet position, including the financing in place and the cash resources available, is deemed to be adequate for the needs of the group in the foreseeable future. The company has net assets of £5,479,969 as at 31 March 2013 (2012: £5,277,832).

Overall, given the challenging trading conditions in the current economic environment, the directors are satisfied with the results for the year and the year-end balance sheet position.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in a highly competitive market, which is a continuing risk and could result in it losing sales to its key competitors. The company manages the risk by providing a competitive and efficient service to customers.

Thompsons of Prudhoe Limited operates within a range of regulatory requirements covering environmental matters regarding quarrying, waste management and recycling, health and safety issues, and transport. A continuous programme of training is in place to ensure that our standards of compliance are at all times at least in line with current legislation.

The company is financed by an interest free, long term intercompany loan and therefore is not exposed to movements in interest rates. Third party borrowing is made up of a variable rate overdraft, which has an exposure to base rate movements, as well as fixed rate finance agreements used for asset finance which are not exposed to base rate movements.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, plus the principal risks and uncertainties, and the company's policies and processes for managing these uncertainties, are set out in the Directors' Report above.

As noted above, the company has received funding from the parent company, Thompsons of Prudhoe Holding Limited. The company has received a letter of support from Thompsons of Prudhoe Holding Limited, its parent company, in which Thompsons of Prudhoe Holding Limited agree to provide financial support to assist the company in meeting its liabilities as and when they fall due, to the extent that such funds are not otherwise available to the company to meet such liabilities. The directors have considered the financial results of Thompsons of Prudhoe Holdings Limited and have concluded that it has sufficient financial resources to provide financial support where required. As highlighted in the financial statements of Thompsons of Prudhoe Holding Limited, the group meets its day to day working capital requirements through an overdraft facility which is due for renewal in July 2014. The current economic conditions create uncertainty particularly over the level of demand for the group's products and services, and the availability of bank finance in the foreseeable future. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. The group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal of its existing facilities may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS' REPORT (continued)

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 March 2013 are set out on pages 6 to 16.

The directors have not declared a dividend in either the current or prior year.

It is proposed that the retained profit for the year of £202,137 be transferred to reserves (2012: profit of £284,512 transferred to reserves).

DIRECTORS

The directors who served during the year and since were as follows:

J Thompson
J Thompson Jnr
J H Burdon
F W Hurst
K P Robson

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company and the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The company and group place considerable value on the involvement of its employees and have continued their previous practice of keeping employees informed on matters affecting them and on the various factors affecting the performance of the company and the group.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 10 December 2013
and signed on behalf of the Board

J Thompson
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMPSONS OF PRUDHOE LIMITED

We have audited the financial statements of Thompsons of Prudhoe Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practicing Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

M Overfield

Mark Overfield BSc FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, United Kingdom
12th December 2013

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2013

	Note	2013 £	2012 £
TURNOVER	2	19,024,051	19,663,650
Cost of sales	4	(10,283,171)	(10,910,489)
GROSS PROFIT		8,740,880	8,753,161
Distribution costs	4	(7,835,420)	(7,716,172)
Administration expenses		(629,485)	(679,879)
OPERATING PROFIT		275,975	357,110
Finance charges	3	(38,437)	(33,621)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	237,538	323,489
Tax charge on profit on ordinary activities	7	(35,401)	(38,977)
PROFIT FOR THE YEAR	16, 17	202,137	284,512

All of the company's activities relate to continuing operations.

There were no recognised gains and losses in either the current or preceding year, other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
31 March 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	5,991,642	6,158,929
CURRENT ASSETS			
Stocks	9	78,142	90,901
Debtors:			
Amounts falling due within one year	10	5,784,064	5,777,078
Amounts falling due after more than one year	10	303,672	160,687
Cash at bank and in hand		770,542	976,781
		6,936,420	7,005,447
CREDITORS: amounts falling due within one year	11	(3,530,805)	(3,751,891)
NET CURRENT ASSETS		3,405,615	3,253,556
TOTAL ASSETS LESS CURRENT LIABILITIES		9,397,257	9,412,485
CREDITORS: amounts falling due after more than one year	12	(3,066,017)	(3,204,501)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(851,271)	(930,152)
NET ASSETS		5,479,969	5,277,832
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account	16	5,478,969	5,276,832
TOTAL SHAREHOLDERS' FUNDS	17	5,479,969	5,277,832

The financial statements of Thompsons of Prudhoe Limited, registered number 1181171, were approved by the Board of Directors and authorised for issue on 10 December 2013.

Signed on behalf of the Board of Directors

Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, is set out below:

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. In addition the principal risks and uncertainties, and the company's policies and processes for managing these uncertainties are also set out in the Directors' Report.

As noted in the Directors' Report, the company has received funding from the parent company, Thompsons of Prudhoe Holding Limited. The company has received a letter of support from Thompsons of Prudhoe Holding Limited, its parent company, in which Thompsons of Prudhoe Holding Limited agree to provide financial support to assist the company in meeting its liabilities as and when they fall due, to the extent that such funds are not otherwise available to the company to meet such liabilities. The directors have considered the financial results of Thompsons of Prudhoe Holdings Limited and have concluded that it has sufficient financial resources to provide financial support where required. As highlighted in the financial statements of Thompsons of Prudhoe Holding Limited, the group meets its day to day working capital requirements through an overdraft facility which is due for renewal in July 2014. The current economic conditions create uncertainty particularly over the level of demand for the group's products and services, and the availability of bank finance in the foreseeable future. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facility. The group has held discussions with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 (revised) to present a cash flow statement, because it is a wholly owned subsidiary of Thompsons of Prudhoe Holding Limited, which prepares consolidated financial statements which are publicly available.

Turnover

Turnover comprises the value of sales (excluding trade discounts, allowances and VAT but including landfill tax) of goods and services in the normal course of business and is recognised at point of service provision.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provisions for impairment in value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

Long leasehold land and buildings	-	straight line over term of lease
Operational quarries	-	straight line over operational life
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	15% - 20% reducing balance

Stocks and Long-term contracts

All stocks are stated in the balance sheet at the lower of cost and net realisable value. Cost includes related production overheads and other costs which have contributed towards bringing the stocks to their present location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. The company enters into certain long term contracts, as defined under SSAP 9. Profits are recognised under such contracts over the duration of the contract, when it is reasonably certain that such profits will arise.

Provision is made for obsolete, slow-moving or defective items where appropriate.

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Taxation

Corporation tax payable is provided on taxable profits at the current rate, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

Pension costs

The company contributes to defined contribution schemes. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities. The interest elements are charged to the profit and loss account on a sum-of-digits basis over the period of the lease. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

Provisions for restoration and post closure monitoring costs

Provisions for restoration costs include provisions associated with the post-closure costs of quarry and landfill sites. The company estimates its total future cost requirements for post-closure monitoring which includes ground water monitoring, leachate management and methane gas control. The company provides for the unavoidable costs of post-closure monitoring as the land area is used and environmental obligations arise. The provision has not been discounted as the effect of doing so would not be material.

2. SEGMENTAL INFORMATION

All of the company's turnover arose in the UK and from the company's principal activity.

3. FINANCE CHARGES

	2013 £	2012 £
Finance leases and hire purchase contracts	38,437	33,621

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
Owned	738,011	817,866
Held under finance leases and hire purchase contracts	264,798	194,318
Fees payable to the company's auditor for the audit of the company's annual accounts	10,250	10,000
Fees payable to the company's auditors for tax services	4,650	3,495
Loss on disposal of tangible fixed assets	15,033	15,877

5. STAFF COSTS

Particulars of employees (including executive directors) are as shown below:

	2013 £	2012 £
Employees costs during the year amounted to:		
Wages and salaries	5,415,594	5,605,238
Social security costs	487,792	483,654
Other pension costs (note 18)	48,220	46,983
	5,951,606	6,135,875

The average monthly numbers of persons employed by the company during the year was as follows:	2013 No.	2012 No.
Management and administration	21	19
Drivers	64	66
Operational	114	119
	199	204

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

6. DIRECTORS' REMUNERATION

John Thompson and John Thompson Junior are directors of the holding company, Thompsons of Prudhoe Holding Limited. They received total emoluments of £202,404 from Thompsons of Prudhoe Holding Limited during 2013 (2012 : £355,316) but it is not practicable to allocate this between their services as directors of Thompsons of Prudhoe Holding Limited, and their services as directors of Thompsons of Prudhoe Limited, W&M Thompson (Quarries) Limited and Tyneside Minimix (Concrete) Limited. No pension contributions were made on behalf of these directors in 2013 (2012: nil).

	2013	2012
	£	£
Remuneration was paid in respect of other directors of the company as follows:		
Emoluments	345,554	450,989
Company contributions to money purchase pension schemes	9,959	9,571
	355,513	460,560
The directors' remuneration shown above included the following in respect of the highest paid director:		
Emoluments	93,050	147,477
Company contributions to money purchase pension schemes	9,959	-
	103,009	147,477

Pension schemes

	2013	2012
The number of directors who were members of pension schemes was as follows:		
Money purchase pension schemes	1	1

No directors were members of defined benefit schemes.

At 31 March 2013 a director's loan of £60,000 was outstanding (2012: £80,000). The maximum amount outstanding during the year was £80,000. This loan is in contravention of s197 of the Companies' Act 2006. This has been classified as other debtors in note 10.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and comprise:

	2013 £	2012 £
Current taxation:		
Corporation tax at 24% (2012 – 26%)	114,282	133,573
Adjustment in respect of prior years	-	6,221
Total current taxation	114,282	139,794
Deferred taxation:		
Origination and reversal of timing differences	(57,273)	(47,618)
Adjustments in respect of prior years	-	(5,211)
Effect of changes in tax rate	(21,608)	(47,988)
Total deferred taxation	(78,881)	(100,817)
Total tax charge	35,401	38,977

The corporation tax assessed for the year is higher (2012 – higher) than that resulting from applying the standard rate of corporation tax in the UK: 24 % (2012 – 26%) for the reasons explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	237,538	323,489
Tax at 24% (2012 –26%) thereon:	57,009	84,107
Effects of:		
Expenses not deductible for tax purposes	-	1,849
Movement in short term timing differences	-	(2,814)
Depreciation in excess of capital allowances	57,273	50,432
Adjustment in respect of prior years	-	6,221
Current tax charge for year	114,282	139,795

The Finance Act 2012, which provides for a reduction in the main rate of UK corporation tax to 23% effective from 1 April 2013 was enacted on 17 July 2012. As this rate was substantively enacted prior to 31 March 2013, it has been reflected in the deferred tax liability at 31 March 2013.

The UK Government has also indicated that it intends to enact further reductions in the main tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. The rate reduction to 21% was substantively enacted on 2 July 2013 however these changes to the main tax rate have not been substantively enacted at the Balance Sheet date, and, therefore, are not included in these financial statements.

If the deferred tax assets and liabilities of the company were all to reverse after 1 April 2014, the effect of the changes from 23% to 20% would be to reduce the net deferred tax liability by £64,824. To the extent that the deferred tax liability reverses more quickly than this, the impact on the net deferred tax liability will be reduced.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

8. TANGIBLE FIXED ASSETS

	Long leasehold land and quarries and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2012	652,518	101,960	3,214,205	12,393,822	16,362,505
Additions	-	4,713	86,117	896,397	987,227
Disposals	-	-	-	(740,757)	(740,757)
At 31 March 2012	652,518	106,673	3,300,322	12,549,462	16,608,975
Accumulated depreciation					
At 1 April 2012	222,284	71,292	2,205,334	7,704,663	10,203,573
Charge for the year	-	5,307	154,607	842,895	1,002,809
Disposals	-	-	-	(589,049)	(589,049)
At 31 March 2013	222,284	76,599	2,359,941	7,958,509	10,617,333
Net book value					
At 31 March 2013	430,234	30,074	940,381	4,590,953	5,991,642
At 31 March 2012	430,234	30,668	1,008,871	4,689,156	6,158,929
Leased assets included in the above net book value:					
At 31 March 2013	-	-	103,575	1,822,606	1,926,181
At 31 March 2012	-	-	121,853	1,598,697	1,720,550

9. STOCKS

	2013 £	2012 £
Raw materials and consumables	78,142	90,901

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

10. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	4,346,660	4,381,935
Amounts recoverable on contracts	695,094	498,487
Amounts owed by fellow group undertakings	632,501	768,649
UK corporation tax recoverable	20,000	20,000
Prepayments and accrued income	89,809	108,007
	5,784,064	5,777,078
Amounts falling due after one year:		
Amounts owed by fellow group undertakings	243,672	80,687
Other debtors (note 6)	60,000	80,000
	303,672	160,687

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Obligations under finance leases and hire purchase contracts (note 13)	740,113	635,368
Payments on account	240,339	443,533
Trade creditors	1,571,777	1,244,585
Amounts owed to fellow group undertakings	424,432	448,909
UK corporation tax payable	28,946	133,573
Other taxation and social security	421,657	649,017
Accruals and deferred income	103,541	196,906
	3,530,805	3,751,891

The overdraft is secured by a fixed and floating charge on the group's assets (refer to note 18).

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Obligations under finance leases and hire purchase contracts (note 13)	709,110	674,599
Amounts owed to fellow group undertakings	2,356,907	2,529,902
	3,066,017	3,204,501

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2013 £	2012 £
Amounts payable:		
- within one year (note 11)	740,113	635,368
- between one and two years (note 12)	516,835	466,484
- between two and five years (note 12)	192,275	208,115
	1,449,223	1,309,967

The hire purchase contracts are secured on the assets to which they relate.

14. PROVISIONS FOR LIABILITIES AND CHARGES

The balances at 31 March 2013 and 1 April 2012 are made up as follows:

	Deferred taxation £	Restoration and post closure monitoring costs £	Total £
At 1 April 2012	575,862	354,290	930,152
Credit to the P&L in the year	(78,881)	-	(78,881)
At 31 March 2013	496,981	354,290	851,271

Restoration and post closure monitoring costs

The provision for restoration costs relates to the company's obligation to restore quarry and landfill sites and to monitor their post-closure environmental position. The level of expenditure to be incurred in order to fulfil this obligation has been estimated based on the prior experience of the company and on current legislation. The timing of this expenditure is dependent upon the rate of excavation and in-fill of the sites over a period of up to 30 years. The provision has not been discounted as the effect of doing so would not be material.

Deferred taxation

	2013 £	2012 £
Timing differences:		
Accelerated capital allowances	575,862	575,862
Other timing differences	(78,881)	-
	496,981	575,862

There is no unprovided deferred tax for the current and previous year.

15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

16. STATEMENT OF MOVEMENT IN RESERVES

	Profit and loss account £
At 1 April 2012	5,276,832
Profit for the year	202,137
At 31 March 2013	5,478,969

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the year	202,137	284,512
Net addition to shareholders' funds	202,137	284,512
Opening shareholders' funds	5,277,832	4,993,320
Closing shareholders' funds	5,479,969	5,277,832

18. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Commitments on behalf of related undertakings

As at 31 March 2012 the company had given an unlimited guarantee in favour of Barclays Bank Plc in respect of the borrowings of Thompsons of Prudhoe Holding Limited and W& M Thompson (Quarries) Limited. At the year end these borrowings totalled £1,510,758 (2012: £1,866,479).

Pension arrangements

The company operates money purchase schemes for the employees and directors for which the pension cost charge for the year was £48,220 (2012: £46,983).

There were no prepaid or accrued contributions at the balance sheet date.

Capital commitments

The company has no capital commitments at the year end (2012: £nil).

19. ULTIMATE CONTROLLING PARTY AND RELATED PARTY DISCLOSURES

The directors regard Thompsons of Prudhoe Holding Limited, incorporated in England and Wales, as being the company's ultimate parent company. John Thompson, who is the majority shareholder of Thompsons of Prudhoe Holding Limited, and a director, is the company's ultimate controlling party.

Thompsons of Prudhoe Holding Limited leads the largest and smallest group in which the results of the company are consolidated. Copies of the consolidated financial statements are available from Thompsons of Prudhoe Holding Limited, Princess Way, Low Prudhoe, Northumberland, NE42 6PL.

As a subsidiary undertaking of Thompsons of Prudhoe Holding Limited, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group headed by Thompsons of Prudhoe Holding Limited.