Company Registration No. 579506

THOMPSONS OF PRUDHOE HOLDING LIMITED

Annual Report and Financial Statements

31 March 2013

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Thompson
J Thompson (Jnr)
H M Hillary

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 Solicitors
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company and the group, together with the financial statements and the independent auditor's report, for the year ended 31 March 2013.

BUSINESS REVIEW

The principal activities of the group during the year continue to be earthworks and quarrying (including bulk excavation, demolition, waste disposal, recycling and quarrying.) The principal activity of the company remains that of a holding company.

The subsidiary undertakings principally affecting the profits and losses or net assets of the group in the year are listed in note 10 to the financial statements.

Costs continue to be carefully managed therefore the group reported only a slight decrease in gross profit of £75,400 being 0.1%, and overall, following finance costs, the group is reporting a profit before tax of £359,576 (2012: profit of £625,670). The balance sheet position, including the financing in place and the cash resources available, is considered to be adequate for the needs of the group in the foreseeable future. The group has net assets of £10,353,096 as at 31 March 2013 (2012: £10,295,002).

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. Going forward the directors feel the company is in a strong position.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The group 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 the standards of compliance are at all times at least in line with current legislation.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance.

The group is financed by a variable rate overdraft which is exposed to movements in interest rates, fixed rate HP/lease finance on asset purchases and an interest free loan from J Thompson (director). The directors do not deem interest rate risk to be significant to the business given the level of financing in place.

GOING CONCERN

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

As highlighted in note 15 to the financial statements, 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 of its existing facilities may not be forthcoming on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the company and the group have 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 7 to 24.

The directors paid a dividend of £250,000 during the year (2012 : £nil) and the profit for the year of £308,094 (2012 : £532,044) has been transferred to reserves.

DIRECTORS

The directors who served during the year were as follows:

J Thompson
J Thompson Jnr
H M Hillary

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.

CREDITOR PAYMENT POLICY AND PRACTICE

It is the group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers provided that all trading terms and conditions have been complied with. At 31 March 2013, the group had an average of 52 days purchases outstanding in trade creditors (2012: 43 days).
The company has no trade creditors at 31 March 2013 (2012: None).

CHARITABLE DONATIONS

During the year the group made charitable donations of £2,400 (2012: £2,400), principally to local charities serving the communities in which the group operates.

DIRECTORS' REPORT (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 HOLDING LTD

We have audited the financial statements of Thompsons of Prudhoe Holding Ltd for the year ended 31 March 2013 which comprise the Consolidated Profit and Loss Account. the Group Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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 Practices 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 group's and the parent 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 group's and the company's affairs as at 31 March 2013 and of the group's 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 matter 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 2103

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 March 2013

	Note	2013 £	2012 £
TURNOVER	2	23,442,629	25,005,517
		23,442,629	25,005,517
Cost of sales		(15,447,353)	(16,934,841)
GROSS PROFIT		7,995,276	8,070,676
Other operating expenses (net)	4	(7,572,753)	(7,346,252)
OPERATING PROFIT		422,523	724,424
Finance charges (net)	3	(62,947)	(98,754)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	359,576	625,670
Tax charge on profit on ordinary activities	7	(51,482)	(93,626)
PROFIT FOR THE FINANCIAL YEAR	18	308,094	532,044

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

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

CONSOLIDATED BALANCE SHEET
31 March 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Goodwill	8	54,263	58,139
Tangible assets	9	10,205,012	10,383,348
		10,259,275	10,441,487
CURRENT ASSETS			
Stock	11	382,118	336,607
Debtors			
- amounts falling due within one year	12	6,717,053	6,914,513
- amounts falling due after more than one year	12	219,316	275,333
Cash at bank and in hand		1,005,062	1,797,151
		8,323,549	9,323,604
CREDITORS: amounts falling due within one year	13	(5,948,018)	(6,952,252)
NET CURRENT ASSETS		2,375,531	2,371,352
TOTAL ASSETS LESS CURRENT LIABILITIES		12,634,806	12,812,839
CREDITORS: amounts falling due after more than one year	14	(1,109,122)	(1,250,378)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(1,172,588)	(1,267,459)
NET ASSETS		10,353,096	10,295,002
CAPITAL AND RESERVES			
Called-up share capital	17	1,500	1,500
Capital reserve	18	2,166,338	2,166,338
Capital redemption reserve	18	1,500	1,500
Profit and loss account	18	8,183,758	8,125,664
SHAREHOLDERS' FUNDS	19	10,353,096	10,295,002

The financial statements of Thompsons of Prudhoe Holding Limited, registered number 579506, were approved by the Board of Directors and authorised for issue on 10 December 2013.

Signed on behalf of the Board of Directors

J Thompson
Director

COMPANY BALANCE SHEET
31 March 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	10	3,000	3,000
CURRENT ASSETS			
Debtors:			
Amounts falling due within one year	12	53,839	303,552
Amounts falling due after more than one year	12	4,385,634	4,663,493
		4,439,473	4,967,045
CREDITORS: amounts falling due within one year	13	(1,817,297)	(2,248,291)
NET CURRENT ASSETS		2,622,176	2,718,754
TOTAL ASSETS LESS CURRENT LIABILITIES		2,625,176	2,721,754
CREDITORS: amounts falling due after more than one year	14	(310,031)	(238,471)
NET ASSETS		2,315,145	2,483,283
CAPITAL AND RESERVES			
Called-up share capital	17	1,500	1,500
Capital redemption reserve	18	1,500	1,500
Profit and loss account	18	2,312,145	2,480,283
SHAREHOLDERS' FUNDS	19	2,315,145	2,483,283

The financial statements of Thompsons of Prudhoe Holding Limited, registered number 579506, were approved by the Board of Directors and authorised for issue on 10 December 2013

Signed on behalf of the Board of Directors

J Thompson
Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	20	1,665,061	2,134,550
Returns on investments and servicing of finance			
Dividends paid		(250,000)	-
Interest paid		(2,805)	(39,888)
Interest element of finance lease rentals		(60,142)	(58,866)
Net cash outflow from returns on investments and servicing of finance		(312,947)	(98,754)
Taxation			
Tax paid		(282,265)	(100,721)
Capital expenditure and financial investments			
Purchase of tangible fixed assets		(636,203)	(214,476)
Sale of tangible fixed assets		266,825	209,545
Net cash outflow from capital expenditure and financial investments		(369,378)	(4,931)
Net cash inflow before financing		700,471	1,930,144
Financing			
Repayment of loans		(118,983)	(454,672)
Capital element of finance lease rentals		(1,017,856)	(912,016)
Net cash outflow from financing		(1,136,839)	(1,366,688)
(Decrease)/increase in cash	20	(436,368)	563,456

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 year 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.

Basis of consolidation

The group financial statements consolidate the financial statements of Thompsons of Prudhoe Holding Limited and all of its subsidiary undertakings drawn up to 31 March 2013.

Acquisition accounting has been adopted for all subsidiary undertakings. Under this method, the results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated profit and loss account from the date of acquisition, or until the date of disposal.

The company has taken advantage of the exemption in the Companies Act 2006 Section 408 not to present its own profit and loss account. The company's profit for the year was £81,862 (2012: £58,173).

Going Concern

The group'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 group's policies and processes for managing these uncertainties are set out above.

As highlighted in note 15 to the financial statements, 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 and the group have 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.

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 performance of services.

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 as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

Investments

Fixed asset investments are shown at cost. Provisions are made for any impairment in value.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

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 selling price, less further costs expected to be incurred to completion and disposal. The group 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.

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 straight-line basis over the period of the lease. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Pension costs

The group 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.

Provision for restoration and post closure monitoring costs

Provisions for restoration costs include provisions associated with the post-closure 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.

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 provision 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:

Freehold buildings	-	2% per annum, straight line
Leasehold land and buildings	-	straight line over term of lease
Operational quarries	-	straight line over term of lease
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles and tractors	-	15% - 20% reducing balance

Freehold land is not depreciated.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life of 20 years. Provision is made for any impairment.

2. SEGMENTAL INFORMATION

All of the group's turnover arose in the UK and from the group's principal activities.

3. FINANCE CHARGES

	2013 £	2012 £
On bank loans and overdrafts	2,805	39,888
Finance lease and hire purchase contracts	60,142	58,866
	62,947	98,754

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2013 £	2012 £
Amortisation of goodwill	3,876	3,876
Depreciation of tangible fixed assets		
- owned	1,032,133	1,021,468
- held under finance leases and hire purchase contracts	334,750	341,946
(Profit)/loss on sale of fixed assets	(1,946)	11,764
Auditor's remuneration:		
- audit fees	34,750	34,000
- non-audit fees	11,300	6,300

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The analysis of auditors' remuneration is as follows:

	2013 £	2012 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,500	9,000
Fees payable to the company's auditor for other services to the group:		
- the audit of the company's subsidiaries pursuant to legislation	25,250	25,000
Total audit fees	34,750	34,000
Tax services	11,300	6,300
Total non-audit fees	11,300	6,300

Fees payable to the auditors for non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

5. STAFF COSTS

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

	2013 £	2012 £
Employee costs during the year amounted to:		
Wages and salaries	6,630,622	6,828,954
Social security costs	606,894	595,737
Pension costs (note 21)	107,428	88,538
	7,344,944	7,513,229

The average monthly number of persons employed by the group during the year was as follows:	Number	Number
Drivers and plant operatives	88	91
Administration and management	36	35
Labourers	122	127
	246	253

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

6. DIRECTORS' REMUNERATION AND INTERESTS

Directors' remuneration paid to directors of the parent and subsidiary companies in respect of their services to the group was as follows:

	2013 £	2012 £
Emoluments	499,123	678,089
Group contributions to money purchase pension schemes	13,655	13,636
	512,778	691,725

Pension schemes

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

Directors' remuneration paid to directors of the parent company in respect of their services to the group was as follows:

	2013 £	2012 £
Emoluments	241,565	406,067
Company contributions to money purchase pension schemes	-	-
	241,565	406,067

The directors' remuneration shown above included the following in respect of the highest paid director:

Emoluments	134,257	217,341
Company contributions to money purchase pension schemes	-	-
	134,257	217,341

Pension schemes

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

At 31 March 2013 directors' loans of £219,316 were outstanding (2012: £275,333). The maximum amount outstanding during the year was £275,333 (note 12). These loans are in contravention of s197 of the Companies' Act 2006. The directors' loans are interest free and was agreed as repayable in more than one year from the balance sheet date.

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 comprises:

	2013 £	2012 £
Current tax		
Corporation tax charge at 24% (2012: 26%)	146,354	196,029
Adjustment in respect of prior periods	-	271
Total current taxation	146,354	196,300
Deferred tax		
Origination and reversal of timing differences	(63,603)	(34,996)
Adjustment in respect of prior periods		(706)
Effect of changes in tax rates	(31,269)	(66,972)
Total deferred taxation	(94,872)	(102,674)
Total tax charge	51,482	93,626

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The 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%), as explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	359,576	625,670
Tax on 24% (2012: 26%) thereon:	86,298	162,674
Effects of:		
Expenses not deductible for tax purposes	930	841
Movement in short term timing differences	-	(2,042)
Depreciation in excess of capital allowances	53,503	37,682
Adjustment in respect of prior periods	-	271
Effects of other tax rates/credits	(4,477)	(3,126)
Current tax charge for year	136,254	196,300

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

8. GOODWILL

	£
Cost	
At 1 April 2012 and 31 March 2013	77,519
Amortisation	
At 1 April 2012	19,380
Amortisation	3,876
At 31 March 2013	23,256
Net book value	
At 31 March 2013	54,263
At 31 March 2012	58,139

Goodwill arose on the acquisition of Tyneside Minimix (Concrete) Limited in 2007. The goodwill in Tyneside Minimix (Concrete) Limited is being written off over its estimated useful economic life of 20 years.

9. TANGIBLE FIXED ASSETS

Group	Long leasehold land, quarries and buildings £	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 April 2012	444,966	2,830,388	7,015,373	186,143	12,323,830	22,800,700
Additions	97,502	-	350,031	34,138	971,759	1,453,430
Disposals	-	-	(134,155)	-	(786,181)	(920,336)
At 31 March 2013	542,468	2,830,388	7,231,249	220,281	12,509,408	23,333,794
Depreciation						
At 1 April 2012	222,284	633,420	4,067,426	122,625	7,371,601	12,417,356
Charge for the year	-	-	488,338	13,069	865,476	1,366,883
Disposals	-	-	(28,491)	-	(626,966)	(655,457)
At 31 March 2013	222,284	633,420	4,527,273	135,694	7,610,111	13,128,782
Net book value						
At 31 March 2013	320,184	2,196,968	2,703,976	84,587	4,899,297	10,205,012
At 31 March 2012	222,682	2,196,968	2,947,946	63,518	4,952,234	10,383,348

Freehold land with a value of £2,127,005 (2012: £2,029,503) has not been depreciated.

Leased assets included in the above net book value

	Plant and machinery £	Motor vehicles £	Total £
At 31 March 2013	582,804	1,822,606	2,405,410
At 31 March 2012	1,272,331	1,598,697	2,871,028

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

10. FIXED ASSET INVESTMENTS

	£
Company	
Subsidiary undertakings:	
Cost and net book value	
At 1 April 2012 and 31 March 2013	3,000

The company has investments in the following subsidiary undertakings, which are registered in England and Wales and operate in the UK, and contributed to the profits and net assets of the group.

	Principal activity	% Holding
W & M Thompson (Quarries) Limited	Quarrying	100
Thompsons of Prudhoe Limited	Earthworks	100
Tyneside Minimix (Concrete) Ltd	Concrete Producer	100*

* *Held through W&M Thompson (Quarries) Limited*

11. STOCK

Group	2013 £	2012 £
Raw materials and consumables	382,118	336,607

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

12. DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Amounts falling due within one year:				
Trade debtors	5,849,241	6,226,446		-
Amounts recoverable on contracts	695,094	498,487		-
Prepayments and accrued income	99,652	118,269	771	719
UK corporation tax recoverable	68,833	68,833	48,833	48,833
Amounts owed by subsidiary undertakings	-	-	-	254,000
Other debtors	4,233	2,478	4,235	-
	6,717,053	6,914,513	53,839	303,552
Amounts falling due after more than one year:				
Amounts owed by subsidiary undertakings	-	-	4,226,318	4,468,160
Directors' loan account (note 6)	219,316	275,333	159,316	195,333
	219,316	275,333	4,385,634	4,663,493
	6,936,369	7,189,846	4,439,473	4,967,045

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts (note 15)	1,510,758	2,041,479	1,478,444	2,041,479
Obligations under finance leases and hire purchase contracts (note 15)	999,456	987,278	-	-
Payments on account	240,340	443,532	-	-
Trade creditors	2,182,922	1,968,992	-	-
Amounts owed to subsidiary undertakings	-	-	302,500	-
UK corporation tax payable	61,013	196,921	20,072	17,444
Taxation and social security	770,875	972,424	3,106	95,935
Accruals and deferred income	182,654	338,218	13,175	93,433
Other creditors	-	3,408	-	-
	5,948,018	6,952,252	1,817,297	2,248,291

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Obligations under finance leases and hire purchase contracts (note 15)	799,091	1,011,907	-	-
Other creditors	310,031	238,471	310,031	238,471
	1,109,122	1,250,378	310,031	238,471

15. BORROWINGS

a) Obligations under finance leases and hire purchase contracts

	Group	
	2013	2012
	£	£
Amounts payable:		
- within one year	999,456	987,278
- within one to two years	606,816	724,747
- within two to five years	192,275	287,160
	1,798,547	1,999,185

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

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

15. BORROWINGS (CONTINUED)

b) Bank loans and overdrafts

	Group 2013		Group 2012	
	Overdraft	Loan	Overdraft	Loan
	£	£	£	£
Amount payable:				
- within one year	1,510,758	-	1,866,479	175,000
	1,510,758	-	1,866,479	175,000

	Company 2013		Company 2012	
	Overdraft	Loan	Overdraft	Loan
	£	£	£	£
Amount payable:				
- within one year	1,478,444	-	1,866,479	175,000
	1,478,444	-	1,866,479	175,000

The overdraft and loan are secured by a fixed and floating charge on the group's assets.

16. PROVISIONS FOR LIABILITIES AND CHARGES

The movement on provisions for liabilities and charges comprises:

	Group		
	Deferred taxation	Restoration and post closure monitoring costs	Total
	£	£	£
At 1 April 2012	806,527	460,932	1,267,459
Credit to profit and loss account	(94,871)	-	(94,871)
At 31 March 2013	711,656	460,932	1,172,588

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

16. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

The balances at 31 March comprise:

	Group 2013 £	Group 2012 £
Deferred taxation		
Timing differences:		
- Accelerated capital allowances	721,361	816,655
- Other	(9,706)	(10,128)
	711,655	806,527

Restoration costs

The provision for restoration costs relates to the group's obligation to restore quarry and landfill sites and monitor its environmental position. The level of expenditure to be incurred in order to fulfil this obligation has been estimated based on the historical experience of the group and current cost estimates and 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 tax

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.

17. CALLED-UP SHARE CAPITAL

	2013 £	2012 £
Group and company		
Authorised, called up and fully paid		
1,500 ordinary shares of £1 each	1,500	1,500

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

18. RESERVES

Group	Capital redemption reserve £	Capital reserve £	Profit and loss account £	Total £
At 1 April 2012	1,500	2,166,338	8,125,664	10,293,502
Profit for the year	-	-	308,094	308,094
Dividend paid on equity shares			(250,000)	(250,000)
At 31 March 2013	1,500	2,166,338	8,183,758	10,351,596

Company	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2012	1,500	2,480,283	2,481,783
Profit for the year	-	81,862	81,862
Dividend paid on equity shares		(250,000)	(250,000)
At 31 March 2013	1,500	2,312,145	2,313,645

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2013 £	2012 £
Opening shareholders' funds	10,295,002	9,762,958
Profit for the financial year	308,094	532,044
Dividends paid	(250,000)	-
Closing shareholders' funds	10,353,096	10,295,002
Company		
Opening shareholders' funds	2,483,283	2,425,110
Profit for the year	81,862	58,173
Dividends paid	(250,000)	-
Closing shareholders' funds	2,315,145	2,483,283

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

20. CASH FLOW INFORMATION

a) Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	422,523	724,424
Depreciation charge	1,366,883	1,363,414
Amortisation and impairment of goodwill	3,876	3,876
(Profit)/loss on sale of fixed assets	(1,946)	11,764
(Increase)/decrease in stocks	(45,511)	75,088
Decrease in debtors	197,460	680,644
(Decrease) in creditors	(278,224)	(724,660)
Net cash inflow from operating activities	1,665,061	2,134,550

b) Reconciliation of net cash flow to movement in net debt

	2013 £	2012 £
(Decrease)/increase in cash in the year	(436,368)	563,456
Cash inflow from decrease in debt and leasing	1,136,839	1,366,688
Changes in net funds	700,471	1,930,144
New finance leases	(817,218)	(1,484,361)
Movement in net debt	(116,747)	445,783
Net debt at 1 April	(1,968,180)	(2,413,963)
Net debt at 31 March	(2,084,927)	(1,968,180)

c) Analysis of net debt

	At 1 April 2012 £	Cash flows £	Non cash flows £	At 31 March 2013 £
Cash at bank and in hand	1,797,151	(792,089)	-	1,005,062
Overdrafts	(1,866,479)	355,721	-	(1,510,758)
	(69,328)	(436,368)	-	(505,696)
Loans < 1 year	(175,000)	175,000	-	-
Finance leases and HP contracts	(1,999,185)	1,017,856	(817,218)	(1,798,547)
Directors loan account	275,333	(56,017)	-	219,316
	(1,898,852)	1,136,839	(817,218)	(1,579,231)
	(1,968,180)	700,471	(817,218)	(2,084,927)

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

21. PENSION ARRANGEMENTS

The group operates money purchase pension schemes for the employees and the directors for which the pension cost charge for the year was £107,428 (2012: £88,538).

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

22. GUARANTEE AND FINANCIAL COMMITMENTS

a) Capital commitments

At 31 March 2013 and 2012 the group had no capital commitments.

b) Commitments on behalf of related undertakings

The company has given an unlimited guarantee in favour of Barclays Bank plc in respect of the borrowings of Thompsons of Prudhoe Limited and W & M Thompson (Quarries) Limited. At the year end these borrowings amounted to £1,510,758 (2012: £1,866,479).

23. RELATED PARTIES

During the year the company entered into transactions, in the ordinary course of business, with J & E Thompson and Family Limited, a company under common control.

During the year, the group rented the land and buildings at Highfield farm, which is owned by J&E Thompson and Family Limited. At the year end there was an amount owing to J & E Thompson and Family Limited of £203,812 (2012: £204,229). This loan is not at arm's length as no interest is charged.

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Thompsons of Prudhoe Holding Limited.

24. ULTIMATE CONTROLLING PARTY

Mr J Thompson, who is the majority shareholder and a director, is the company's controlling party.