

**W & M THOMPSON (QUARRIES)
LIMITED**

Annual Report and Financial Statements

31 March 2013

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the accounts	8

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Thompson
J Thompson Jnr
J H Burdon
F W Hurst

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.

BUSINESS REVIEW, PRINCIPAL ACTIVITY AND FUTURE PROSPECTS

W&M Thompson (Quarries) Limited is a wholly owned subsidiary of Thompsons of Prudhoe Holding Limited.

The principal activity of the company is that of quarry and landfill site operators based in the North of England. There have been no significant changes in the principal activity of the company during the year and it is anticipated that this will continue to be the case in the coming year.

Turnover has fallen to £7.1m from £8.3m with an associated fall in gross profit to £1.1m from £1.4m. Gross margins have remained resilient falling only 1% from 16% to 15%. Distribution and administration costs have been managed to prevent any increases in cost as far as possible. Overall, after finance costs, the company is reporting a profit before tax of £19,924 (2012: £239,823). The balance sheet position, including the financing in place and the cash resources available, is deemed to be adequate for the needs of the company in the foreseeable future. The company has net assets of £2,598,614 as at 31 March 2013 (2011: £2,571,959).

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 to the company and could result in it losing sales to its key competitors. The company manages this risk by providing a competitive and efficient service to its customers.

W&M Thompson (Quarries) Limited operates within a range of regulatory requirements covering environmental matters regarding quarrying, waste management & recycling, health & safety issues & 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 principally 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 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.

As noted above, the company has received funding from the parent company, Thompsons of Prudhoe Holding Limited. 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 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.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 March 2013 are set out on pages 6 to 17.

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

It is proposed that the retained profit of £26,655 be transferred to reserves (2012: £200,460).

DIRECTORS' REPORT (continued)

DIRECTORS

The directors who served during the year and subsequently are as follows:

J Thompson

J H Burdon

J Thompson Jnr

F W Hurst

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 W & M THOMPSON (QUARRIES) LIMITED

We have audited the financial statements of W & M Thompson (Quarries) 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 20. 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 Practising 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.



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	7,059,602	8,324,524
Cost of sales		(6,002,193)	(6,967,753)
GROSS PROFIT		1,057,409	1,356,771
Distribution costs		(65,781)	(46,479)
Administrative expenses		(949,999)	(1,045,215)
OPERATING PROFIT		41,629	265,077
Finance charges	3	(21,705)	(25,245)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	19,924	239,832
Tax credit/(charge) on profit on ordinary activities	7	6,731	(39,372)
PROFIT FOR THE YEAR	17,18	26,655	200,460

The results for the years shown above all derive from continuing activities.

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.

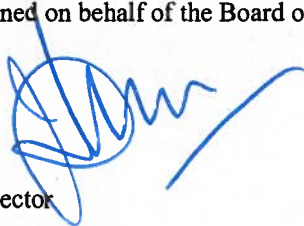
BALANCE SHEET
31 March 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	8	4,059,709	4,185,925
Investments	9	148,354	148,354
		<u>4,208,063</u>	<u>4,334,279</u>
CURRENT ASSETS			
Stocks	10	300,901	239,123
Debtors:			
Amounts falling due within one year	11	1,979,296	2,151,383
Amounts falling due after more than one year	11	24,245	56,296
Cash at bank and in hand		234,405	674,791
		<u>2,538,847</u>	<u>3,121,593</u>
CREDITORS: amounts falling due within one year	12	<u>(1,740,544)</u>	<u>(2,247,534)</u>
NET CURRENT ASSETS		<u>798,303</u>	<u>874,059</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,006,366	5,208,338
CREDITORS: amounts falling due after more than one year	13	(2,091,513)	(2,301,409)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(316,239)</u>	<u>(334,970)</u>
NET ASSETS		<u>2,598,614</u>	<u>2,571,959</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,000	1,000
Profit and loss account	17	2,597,614	2,570,959
SHAREHOLDERS' FUNDS	18	<u>2,598,614</u>	<u>2,571,959</u>

The financial statements of W&M Thompson (Quarries) Limited, registered number 1233082, 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.

Under the provisions of s400 of the Companies Act 2006 the company is exempt from the obligation to prepare and deliver group accounts as it is included in the consolidated accounts of Thompsons of Prudhoe Holding Limited. Accordingly, these financial statements present information about the company as an individual entity and not as a group.

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. 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 include a cash flow statement and are publicly available.

Turnover

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

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:

Freehold buildings	-	2% per annum, straight line
Plant and machinery	-	15% per annum, reducing balance
Fixtures and fittings	-	15% per annum, reducing balance
Motor vehicles	-	20% per annum, reducing balance

Freehold land is not depreciated.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

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.

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

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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.

Provision for restoration costs and post closure monitoring

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.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

3. FINANCE CHARGES

	2013 £	2012 £
Interest on finance leases and hire purchase contracts	21,705	25,245

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2013 £	2012 £
Depreciation of tangible fixed assets:		
Owned	277,267	191,959
Held under finance leases and hire purchase contracts	69,952	147,628
Fees payable to the company's auditor for the audit of the company's annual accounts	9,000	9,000
Fees payable to the company's auditor for tax services	2,300	2,600
Profit on disposal of tangible fixed assets	(16,979)	(4,113)

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	951,416	1,005,619
Social security costs	92,183	89,166
Other pension costs (note 19)	18,548	18,826
	<u>1,062,147</u>	<u>1,113,611</u>

The average monthly numbers of persons employed by the company during the year was as follows:

	2013 No.	2012 No.
Drivers and plant operatives	20	21
Administration and management	9	10
Labourers	8	8
	<u>37</u>	<u>39</u>

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 £200,404 from Thompsons of Prudhoe Holding Limited during the year (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 the year (2012: £nil).

	2013 £	2012 £
Remuneration was paid in respect of other directors of the company as follows:		
Emoluments	106,673	164,540
Company contributions to money purchase pension schemes	3,696	4,065
	<u>110,369</u>	<u>168,605</u>

Pensions schemes

The number of directors who were members of pension schemes was as follows:

	No.	No.
Money purchase pension schemes	<u>1</u>	<u>1</u>

No directors were members of defined benefit schemes.

7. TAX (CREDIT)/CHARGE ON PROFIT ON ORDINARY ACTIVITIES

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

	2013 £	2012 £
Current taxation:		
UK corporation tax on profits	12,000	45,902
Adjustment in respect of prior years	-	(5,950)
Total current tax	<u>12,000</u>	<u>39,952</u>
Deferred taxation:		
Origination and reversal of timing differences	(9,618)	13,246
Adjustment in respect of previous periods	-	5,201
Effect of change of tax rates	(9,113)	(19,027)
Total deferred taxation	<u>(18,731)</u>	<u>(580)</u>
Total tax (credit)/charge for the year	<u>(6,731)</u>	<u>39,372</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

7. TAX (CREDIT)/CHARGE ON PROFIT ON ORDINARY ACTIVITIES (Continued)

Factors affecting the tax charge for the current year

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

The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	19,924	239,832
Tax at 24% (2012 - 26%) thereon:	4,782	62,356
Effects of:		
Capital allowances in excess of depreciation	9,618	(14,018)
Movement in short term timing differences	-	770
Adjustments in respect to of prior years	-	(5,950)
Effects of other tax rates	(2,400)	(1,750)
Group relief not paid for	-	(1,456)
Current tax charge for the year	<u>12,000</u>	<u>39,952</u>

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.

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 April 2012	2,622,836	85,307	4,117,624	158,139	6,983,906
Additions	97,502	29,425	159,394	47,853	334,174
Disposals	-	-	(134,155)	(45,424)	(179,579)
At 31 March 2013	<u>2,720,338</u>	<u>114,732</u>	<u>4,142,863</u>	<u>160,568</u>	<u>7,138,501</u>
Accumulated depreciation					
At 1 April 2012	633,420	54,367	1,997,340	112,854	2,797,981
Charge for the year	-	7,475	326,474	13,270	347,219
Disposals	-	-	(28,491)	(37,917)	(66,408)
At 31 March 2013	<u>633,420</u>	<u>61,842</u>	<u>2,295,323</u>	<u>88,207</u>	<u>3,078,792</u>
Net book value					
At 31 March 2013	<u>2,086,918</u>	<u>52,890</u>	<u>1,847,540</u>	<u>72,361</u>	<u>4,059,709</u>
At 31 March 2012	<u>1,989,416</u>	<u>30,940</u>	<u>2,120,284</u>	<u>45,285</u>	<u>4,185,925</u>

Freehold land with a value of £2,086,918 (2012: £1,989,416) has not been depreciated. Freehold land and buildings includes operational quarries and landfill sites.

Leased assets included in the above net book value

	Plant and machinery £
At 31 March 2013	<u>479,229</u>
At 31 March 2012	<u>1,150,478</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

9. INVESTMENTS

The company has a significant shareholding in the following undertakings:

	Principal activity	Class of shares held	% Holding
Subsidiary undertakings:			
Tyneside Minimix (Concrete) Limited	Concrete Manufacture & Distribution	Ordinary	100%
			£
Cost and net book value			
At 1 April 2012 and 31 March 2013			<u>148,354</u>

10. STOCKS

	2013	2012
	£	£
Raw materials and consumables	<u>300,901</u>	<u>239,123</u>

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

11. DEBTORS

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	1,405,157	1,812,071
Corporate tax	-	-
Amounts owed by group undertakings	567,927	332,990
Prepayments and accrued income	<u>6,212</u>	<u>6,322</u>
	1,979,296	2,151,383
Amounts falling due after one year:		
Amounts owed by group undertakings	<u>24,245</u>	<u>56,296</u>
	<u>2,003,541</u>	<u>2,207,679</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Obligations under finance leases and hire purchase contracts (note 14)	259,343	351,910
Trade creditors	599,350	712,409
Amounts owed to group undertakings	470,913	875,285
Corporation tax	11,995	45,904
Other taxes and social security	341,142	219,383
Accruals and deferred income	57,801	42,643
	<u>1,740,544</u>	<u>2,247,534</u>

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

	2013 £	2012 £
Obligations under finance leases and hire purchase contracts (note 14)	89,981	337,308
Amounts owed to group undertakings	2,001,532	1,964,101
	<u>2,091,513</u>	<u>2,301,409</u>

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2013 £	2012 £
The maturity of these is as follows:		
Amounts payable:		
- within one year	259,343	351,910
- within one to two years	89,981	258,262
- between two and five years	-	79,046
	<u>349,324</u>	<u>689,218</u>

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

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

15. PROVISIONS FOR LIABILITIES AND CHARGES

The balances are made up as follows:

	Deferred taxation £	Restoration and post closure monitoring costs £	Total £
At 1 April 2012	228,329	106,641	334,970
Deferred tax credit	(18,731)	-	(18,731)
	<hr/>	<hr/>	<hr/>
At 31 March 2013	<u>209,598</u>	<u>106,641</u>	<u>316,239</u>

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

The provision for deferred taxation comprises:

	2013 £	2012 £
Timing differences:		
Accelerated capital allowances	219,302	238,455
Other timing differences	(9,704)	(10,128)
	<hr/>	<hr/>
	<u>209,598</u>	<u>228,327</u>

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

16. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Called up, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
	<u>1,000</u>	<u>1,000</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2013

17. STATEMENT OF MOVEMENT IN RESERVES

	Profit and loss account £
At 31 March 2012	2,570,959
Profit for the year	26,655
	<hr/>
At 31 March 2013	<u>2,597,614</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Net profit for the year	26,655	200,460
	<hr/>	<hr/>
Net addition to shareholders' funds	26,655	200,460
Opening shareholders' funds	2,571,959	2,371,499
	<hr/>	<hr/>
Closing shareholders' funds	<u>2,598,614</u>	<u>2,571,959</u>

19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Commitments on behalf of related undertakings

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

Pension arrangements

The company operates a money purchase scheme for its employees for which the pension cost charge for the year was £18,548 (2012: £18,826). There were no prepaid or accrued contributions at the balance sheet date (2012: £nil).

Capital commitments

The company had no capital commitments at the balance sheet date (2012 - £nil).

20. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

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 FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Thompsons of Prudhoe Holding Limited.

There were no other related party transactions in the year (2012: None).