

THOMPSONS OF PRUDHOE LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2015

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

DIRECTORS

J Thompson
J Thompson
J H Burdon
F W Hurst
K P Robson
N D Shilling

COMPANY SECRETARY

J Thompson

REGISTERED OFFICE

Princess Way
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, United Kingdom

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

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

The principal activities of the business are Demolition & Dismantling, Earthmoving & Excavation, Waste Management, Recycling & Haulage.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company is reporting profit before tax of £964,346 (2014: £395,604). The company uses the following key performance indicators (KPIs) to monitor and assess performance:

- Revenue growth – During the year the company has seen a slight reduction in turnover of £0.69m to £20.8m (3%), whilst slightly decreased from the prior year, the quality of turnover is reflected in improved margins.
- Gross profit as % of sales – 50% (2014: 46%) – As noted above, the increased margins have arisen due to an improvement in the quality of turnover.
- Net assets – £6,208,539 (2014: £5,446,056). The balance sheet position, including the financing facilities and cash resources available, is considered adequate for the needs of the company in the foreseeable future.

Overall, it is considered that due to careful management in previous years, the company has been well-positioned to handle the continued demands on the business during the current year. The directors are satisfied with the results for the year & the end of year balance sheet position.

The directors have considered the current resources available and supplemented them with orders for new resources and equipment after the year end. In doing so they believe that they continue to be in a strong position to compete for future contracts to ensure that the successful progress made by the company in the current year can be further built upon.

PRINCIPAL RISKS & UNCERTAINTIES

The company operates in a highly competitive market. In order to maintain its market share and minimise the risk of market penetration from competitors, the company prides itself on the efficient service it provides to customers. This is delivered by a loyal and experienced workforce. Management continues to explore different avenues of business development, delivering further efficiencies in the services provided and exploring opportunities in new locations.

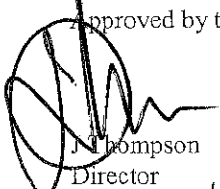
Thompsons of Prudhoe Ltd operates within a range of regulatory requirements covering environmental matters regarding quarrying, waste management and recycling, health and safety, and transport. A continuous programme of training is in place to ensure that our standards of compliance are at all times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

The company is financed by an interest free, long term intercompany loan. The company has access to the group's variable rate overdraft facility, however in order to reduce exposure to interest rate movements this is only utilised when working capital requirements dictate. The company also enters into third party fixed rate finance agreements for asset finance, which are not exposed to base rate movements. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

ENVIRONMENT

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities.

Approved by the Board of Directors and signed on behalf of the Board by:



J. Thompson
Director

Date: 16/11/2015

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the audited financial statements and auditor's report for the year ended 31 March 2015.

The strategic report sets out the principal activities of the company along with its future prospects and principal risks and uncertainties.

The directors' assessment of whether the company is a going concern has been disclosed within note 1 of the financial statements.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 March 2015 are set out on pages 7 to 16.

The company has not declared a dividend (2014: £400,000) in the year.

It is proposed that the profit for the year of £762,483 (2014: £366,087) be transferred to reserves.

DIRECTORS

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

J Thompson
J Thompson
J H Burdon
F W Hurst
K P Robson
N D Shilling - appointed 1st September 2014

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
and signed on behalf of the Board



J Thompson
Director

Date: 16/11/2015

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 accounting 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 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 20. 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

Kate Darlison

Kate Darlison FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, United Kingdom
Date: *17 November 2015*

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2015

	Note	2015 £	2014 £
TURNOVER	2	20,806,142	21,498,065
Cost of sales		(10,398,826)	(11,678,493)
GROSS PROFIT		10,407,316	9,819,572
Distribution costs		(8,427,191)	(8,607,029)
Administration expenses		(965,833)	(768,175)
OPERATING PROFIT		1,014,292	444,368
Finance charges	3	(49,946)	(48,764)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	964,346	395,604
Tax charge on profit on ordinary activities	8	(201,863)	(29,517)
PROFIT FOR THE YEAR	17, 18	<u>762,483</u>	<u>366,087</u>

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

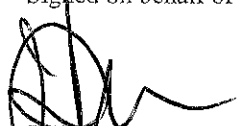
There were no recognised gains and losses in either the current or preceding year, other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

BALANCE SHEET
As at 31 March 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	9	6,865,512	6,288,704
CURRENT ASSETS			
Stocks	10	83,615	82,245
Debtors:			
Amounts falling due within one year	11	6,254,044	6,358,796
Amounts falling due after more than one year	11	518,523	384,910
Cash at bank and in hand		221,569	367,503
		<u>7,077,751</u>	<u>7,193,454</u>
CREDITORS: amounts falling due within one year	12	<u>(3,925,764)</u>	<u>(4,260,350)</u>
NET CURRENT ASSETS		<u>3,151,987</u>	<u>2,933,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,017,499	9,221,808
CREDITORS: amounts falling due after more than one year	13	(3,014,712)	(3,035,864)
PROVISIONS FOR LIABILITIES	15	<u>(794,248)</u>	<u>(739,888)</u>
NET ASSETS		<u>6,208,539</u>	<u>5,446,056</u>
CAPITAL AND RESERVES			
Called-up share capital	16	1,000	1,000
Profit and loss account	17	6,207,539	5,445,056
TOTAL SHAREHOLDERS' FUNDS	18	<u>6,208,539</u>	<u>5,446,056</u>

The financial statements of Thompsons of Prudhoe Limited, registered number 01181171, were approved by the Board of Directors and authorised for issue on 16 November 2015.

Signed on behalf of the Board of Directors


J. Thompson
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

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.

Basis of preparation and going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. This is disclosed in the strategic report under the heading "Business Review and Future Developments". Further the directors are satisfied that the company will continue to successfully manage the principal risks and uncertainties which are also outlined in the strategic report under the heading "Principal Risks and Uncertainties".

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility.

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. ACCOUNTING POLICIES (CONTINUED)

Stocks and Long-term contracts (continued)

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.

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. TURNOVER

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

3. FINANCE CHARGES

	2015	2014
	£	£
Finance leases and hire purchase contracts	49,946	48,764

4. DIVIDENDS

	2015	2014
	£	£
Final dividend for the year ended 31 March of £0 (2014: £400) per share	-	400,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
Owned	728,619	661,177
Held under finance leases and hire purchase contracts	390,190	411,669
Fees payable to the company's auditor for the audit of the company's annual financial statements	10,400	10,250
Fees payable to the company's auditors for tax services	4,700	4,800
(Profit)/loss on disposal of tangible fixed assets	(8,166)	39,135
	<u>728,619</u>	<u>661,177</u>

6. STAFF COSTS

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

	2015	2014
	£	£
Employees costs during the year amounted to:		
Wages and salaries	6,022,736	5,904,962
Social security costs	556,855	548,548
Other pension costs (note 19)	105,475	45,654
	<u>6,685,066</u>	<u>6,499,164</u>

	2015	2014
	No.	No.
The average monthly numbers of persons employed by the company during the year was as follows:		
Management and administration	22	22
Drivers	65	67
Operational	115	119
	<u>202</u>	<u>208</u>

The prior year disclosure in respect of staff costs has been restated to correctly present total remuneration.

7. DIRECTORS' REMUNERATION

The directors are remunerated for their services to the Group. The amounts shown below comprise that part of their total remuneration which is attributable to their services provided to the company.

	2015	2014
	£	£
Remuneration was paid in respect of other directors of the company as follows:		
Emoluments	402,135	370,030
Company contributions to money purchase pension schemes	9,019	9,485
	<u>411,154</u>	<u>379,515</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

7. DIRECTORS' REMUNERATION (CONTINUED)

	2015	2014
	£	£
The directors' remuneration shown above included the following in respect of the highest paid director:		
Emoluments	97,617	109,343
Company contributions to money purchase pension schemes	9,019	9,485
	<u>106,636</u>	<u>118,828</u>

Pension schemes

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

Money purchase pension schemes	<u>1</u>	<u>1</u>
--------------------------------	----------	----------

No directors were members of defined benefit schemes.

At 31 March 2015 a director's loan of £20,000 was outstanding (2014: £40,000). During the year the maximum amount outstanding was £40,000 and there were no write-offs. This loan is in contravention of s197 of the Companies' Act 2006 and has been included in other debtors in note 10. The directors' loans are interest free and was agreed as repayable in more than one year from the balance sheet date.

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

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

	2015	2014
	£	£
Current taxation:		
Corporation tax at 21% (2014: 23%)	147,503	102,249
Adjustment in respect of prior years	-	15
Total current taxation	<u>147,503</u>	<u>102,264</u>
Deferred taxation:		
Origination and reversal of timing differences	57,077	(9,112)
Adjustments in respect of prior years	(2,718)	-
Effect of changes in tax rate	-	(63,635)
Total deferred taxation	<u>54,360</u>	<u>(72,747)</u>
Total tax charge	<u>201,863</u>	<u>29,516</u>

The corporation tax assessed for the year is higher (2014: higher) than that resulting from applying the standard rate of corporation tax in the UK 21% (2014: 23%) for the reasons explained below:

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

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

	2015 £	2014 £
Profit on ordinary activities before tax	964,346	395,604
Tax at 21% (2014: 23%):	202,513	90,989
Effects of:		
Expenses not deductible for tax purposes	2,068	2,148
Capital allowances in excess of depreciation	(57,078)	9,112
Adjustment in respect of prior years	-	15
Current tax charge for year	<u>147,503</u>	<u>102,264</u>

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. Accordingly 20% has been applied when calculating (un-recognised) deferred tax assets and liabilities as at 31 March 2015.

The Government has subsequently announced in the Summer Budget, on 8 July 2015, that the rates of corporation tax will be further reduced to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted these rates do not apply to the deferred tax position at 31 March 2015.

9. TANGIBLE FIXED ASSETS

	Long leasehold land and quarries and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2014	652,518	3,429,550	99,836	13,157,580	17,339,484
Additions	13,000	531,990	8,868	1,502,680	2,056,538
Disposals	-	(305,000)	-	(370,191)	(675,191)
At 31 March 2015	<u>665,518</u>	<u>3,656,540</u>	<u>108,704</u>	<u>14,290,069</u>	<u>18,720,831</u>
Accumulated depreciation					
At 1 April 2014	222,284	2,496,659	64,747	8,267,070	11,050,760
Charge for the year	-	160,702	5,745	952,362	1,118,809
Disposals	-	-	-	(314,271)	(314,271)
At 31 March 2015	<u>222,284</u>	<u>2,657,361</u>	<u>70,492</u>	<u>8,905,161</u>	<u>11,855,298</u>
Net book value					
At 31 March 2015	<u>443,234</u>	<u>999,178</u>	<u>38,212</u>	<u>5,384,908</u>	<u>6,865,512</u>
At 31 March 2014	<u>430,234</u>	<u>932,891</u>	<u>35,089</u>	<u>4,890,510</u>	<u>6,288,704</u>
Leased assets included in the above net book value:					
At 31 March 2015	<u>-</u>	<u>100,277</u>	<u>-</u>	<u>2,418,543</u>	<u>2,518,820</u>
At 31 March 2014	<u>-</u>	<u>97,061</u>	<u>-</u>	<u>2,487,124</u>	<u>2,584,185</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

10. STOCKS

	2015	2014
	£	£
Raw materials and consumables	83,615	82,245

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

11. DEBTORS

	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	3,731,010	3,945,177
Amounts recoverable on contracts	1,199,977	1,278,247
Amounts owed by fellow group undertakings	1,144,610	1,045,159
UK corporation tax recoverable	53,689	-
Prepayments and accrued income	124,758	90,213
	<u>6,254,044</u>	<u>6,358,796</u>
Amounts falling due after one year:		
Amounts owed by fellow group undertakings	498,523	344,910
Other debtors (note 7)	20,000	40,000
	<u>518,523</u>	<u>384,910</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Obligations under finance leases and hire purchase contracts (note 14)	1,101,802	927,168
Payments on account	42,308	228,250
Trade creditors	1,429,261	1,653,700
Amounts owed to fellow group undertakings	718,923	589,918
UK corporation tax payable	67,862	19,925
Other taxation and social security	376,464	470,636
Accruals and deferred income	189,144	370,753
	<u>3,925,764</u>	<u>4,260,350</u>

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

	2015	2014
	£	£
Obligations under finance leases and hire purchase contracts (note 14)	686,145	711,241
Amounts owed to fellow group undertakings	2,328,567	2,324,623
	<u>3,014,712</u>	<u>3,035,864</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2015

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2015	2014
	£	£
Amounts payable:		
- within one year (note 12)	1,101,802	927,168
- between one and two years (note 13)	528,545	632,278
- between two and five years (note 13)	157,600	78,963
	<u>1,787,947</u>	<u>1,638,409</u>

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

15. PROVISIONS FOR LIABILITIES

The balances at 31 March 2015 and 1 April 2014 are made up as follows:

	Deferred taxation £	Restoration and post closure monitoring costs £	Total £
At 1 April 2014	424,234	315,654	739,888
Credit to the profit and loss account in the year	54,360	-	54,360
	<u>478,594</u>	<u>315,654</u>	<u>794,248</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

	2015	2014
	£	£
Timing differences:		
Accelerated capital allowances	478,594	424,234
	<u>478,594</u>	<u>424,234</u>

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

16. CALLED-UP SHARE CAPITAL

	2015	2014
	£	£
Called-up, allotted and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

17. STATEMENT OF MOVEMENT IN RESERVES

	Profit and loss account £
At 1 April 2014	5,445,056
Profit for the year	762,483
	<hr/>
At 31 March 2015	<u>6,207,539</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015 £	2014 £
Profit for the year	762,483	366,087
Dividends	-	(400,000)
	<hr/>	<hr/>
Net addition/(reduction) to shareholder's funds	762,483	(33,913)
Opening shareholder's funds	5,446,056	5,479,969
	<hr/>	<hr/>
Closing shareholder's funds	<u>6,208,539</u>	<u>5,446,056</u>

19. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Commitments on behalf of related undertakings

As at 31 March 2015 the company had given an unlimited guarantee in favour of Barclays Bank Plc in respect of the borrowings of Thompsons of Prudhoe Holding Limited. At the year end these borrowings totalled £941,396 (2014: £1,099,483).

Pension arrangements

The company operates money purchase schemes for the employees and directors for which the pension cost charge for the year was £105,475 (2014: £45,654).

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

Capital commitments

The company has no capital commitments at the year end (2014: £nil).

20. 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.