

Registered number: 00579506

# Thompsons of Prudhoe Holding Limited

Annual report

31 March 2021

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# Thompsons of Prudhoe Holding Limited

## Company information

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**Directors** J Thompson (resigned 22 December 2020)  
J Thompson Jnr  
H M Hillary

**Company secretary** H M Hillary

**Registered number** 00579506

**Registered office** Princess Way  
Low Prudhoe  
Prudhoe  
Northumberland  
NE42 6PL

**Independent auditor** UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

**Bankers** Barclays Bank plc  
5 St Ann's Street  
Quayside  
Newcastle upon Tyne  
NE1 3DX

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

# **Thompsons of Prudhoe Holding Limited**

## **Contents**

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	<b>Page</b>
Group strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited	6 - 10
Consolidated statement of comprehensive income	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated statement of cash flows	16 - 17
Consolidated analysis of net debt	18
Notes to the financial statements	19 - 36

# **Thompsons of Prudhoe Holding Limited**

## **Group strategic report Year ended 31 March 2021**

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### **Introduction**

The principal activities of the Thompsons group of companies ('the group') during the year continue to be demolition & dismantling, earthmoving & quarrying along with waste management, recycling & haulage. The principal activity of the company remains that of a holding company.

The subsidiary undertakings affecting the profits and losses or net assets of the group in the year are listed in note 14 of the financial statements.

### **Business review**

The group is reporting a profit before tax of £821,646 (2020: £2,279,807). The directors have considered the performance of the business during the financial year and are content with the result given the impact of the COVID-19 global pandemic and the UK government imposed lockdowns during the year.

The cash position of the group is supported by a bank overdraft facility provided to the group. At the year end the group was not utilising this facility and has a cash balance of £2,922,008 (2020: £3,698,338).

### **Key performance indicators**

The group uses the following key performance indicators to monitor and assess performance:

- Revenue growth - (2%) (2020: (16)%)
- Gross profit margin - 35% (2020: 41%)
- Net assets - £19,117,552 (2020: £20,453,051)

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.

### **Principal risks and uncertainties**

The group operates in a highly competitive market. In order to maintain its market share and minimise the risk of market penetration from competitors, the group prides itself in 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.

The group 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.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group 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.

# Thompsons of Prudhoe Holding Limited

## Group strategic report (continued) Year ended 31 March 2021

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### ***Covid-19***

Throughout the financial year, the global economy has felt the impact of the COVID-19 pandemic and the UK government imposed lockdown arrangements during the 2021 financial year. The safety of our customers and employees is of the utmost importance and it has continued with modified arrangements in place during the course of the pandemic, as advised by central government. The group continued throughout the period, with these arrangements in place, following advice from government to businesses in the sector. The group has taken advantage of the job retention scheme by placing a number of employees on furlough throughout lockdown, however all employees have now returned to the business. It remains in a strong financial position, with significant undrawn financial resources at its disposal, which is testament to the commitment and professionalism of its employees during the period. Trading has now returned to budgeted levels.

### ***Brexit***

The uncertainty as to the final outcome to the Brexit discussions continues. The group has very little trading activity with any country within the EU. Consequently, the directors expect no material impact on the group's trading activities. The directors cannot meaningfully assess any wider macro-economic impact of Brexit which may affect trading and financial markets.

### **Environment**

The group 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 group's activities.

### **Future developments**

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 group in the current year can be further built upon.

### **Directors' duty to promote the success of the group**

The directors have a duty to promote the success of the group for the benefit of all key stakeholders.

Considering the potential consequences that a decision may have on its employees, suppliers, customers and other related parties is paramount. By acting with integrity and promoting high standards across the business reflects positively on the already high regard in which we are held.

The group is aware of its responsibility to the local community and the environment. Elsewhere the group is looking to find ways of reducing energy consumption/environmental impact throughout the operation.

The ultimate aim is to increase the value of the business and our colleagues through building lasting relationships with our partners and creating opportunities for employees to achieve their potential.

This report was approved by the board on 10 November 2021 and signed on its behalf by:.



**J Thompson Jnr**  
Director

# **Thompsons of Prudhoe Holding Limited**

## **Directors' report Year ended 31 March 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

### **Results and dividends**

The profit for the year, after taxation, amounted to £664,501 (2020: £1,746,904).

The directors recommend a final dividend of £nil (2020: £nil). Dividends paid during the year were £nil (2020: £400,000). The profit for the year has been transferred to reserves after payment of a preference share dividend of £150,000 (2020: £150,000).

### **Directors**

The directors who served during the year were:

J Thompson (resigned 22 December 2020)  
J Thompson Jnr  
H M Hillary

### **Engagement with employees**

The group operates a framework for employee information and consultation which complies with the requirement of the Information and Consultation of Employees Regulations 2004.

### **Disabled employees**

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment whenever practicable in the same or an alternative position and to provide training to achieve this aim.

### **Matters covered in the strategic report**

Future developments, which would otherwise be disclosed in the directors' report, is instead disclosed in the strategic report, as permitted by s414C(11) of the Companies Act 2006.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

### **Post balance sheet events**

There have been no significant events affecting the group since the year end.

# **Thompsons of Prudhoe Holding Limited**

## **Directors' report (continued)** **Year ended 31 March 2021**

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### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

This report was approved by the board on 10 November 2021 and signed on its behalf by:

**J Thompson Jnr**  
Director



# **Thompsons of Prudhoe Holding Limited**

## **Directors' responsibilities statement Year ended 31 March 2021**

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The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice'), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.





## **Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited**

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### **Opinion**

We have audited the financial statements of Thompsons of Prudhoe Holding Limited ('the parent company') and its subsidiaries ('the group') for the year ended 31 March 2021, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net funds and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## **Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited (continued)**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept 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.



## **Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



## **Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited (continued)**

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### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our team and remained alert to any indications of non compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **Independent auditor's report to the members of Thompsons of Prudhoe Holding Limited (continued)**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Michael Morris'.

**Michael Morris FCA FCCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

10 November 2021

# Thompsons of Prudhoe Holding Limited

## Consolidated statement of comprehensive income Year ended 31 March 2021

	Note	2021 £	2020 £
<b>Profit and loss account</b>			
Turnover	4	39,482,861	40,200,228
Cost of sales		(25,756,589)	(23,626,075)
<b>Gross profit</b>		<b>13,726,272</b>	<b>16,574,153</b>
Distribution costs		(10,262,542)	(11,152,408)
Administrative expenses		(3,000,232)	(2,915,760)
Other operating income	5	591,521	25,649
<b>Operating profit</b>	6	<b>1,055,019</b>	<b>2,531,634</b>
Interest payable and similar expenses	10	(233,373)	(251,827)
<b>Profit on ordinary activities before taxation</b>		<b>821,646</b>	<b>2,279,807</b>
Tax on profit on ordinary activities	11	(157,145)	(532,903)
<b>Profit for the financial year</b>		<b>664,501</b>	<b>1,746,904</b>

There was no other comprehensive income for 2021 or 2020.

The notes on pages 19 to 36 form part of these financial statements.

# Thompsons of Prudhoe Holding Limited

## Consolidated balance sheet At 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	-	27,131
Tangible assets	13	18,617,348	18,444,263
		<u>18,617,348</u>	<u>18,471,394</u>
<b>Current assets</b>			
Stocks	15	251,127	397,127
Debtors	16	12,088,461	9,510,846
Cash at bank and in hand		2,922,008	3,698,338
		<u>15,261,596</u>	<u>13,606,311</u>
Creditors: amounts falling due within one year	17	(10,125,649)	(7,997,475)
<b>Net current assets</b>		<u>5,135,947</u>	<u>5,608,836</u>
<b>Total assets less current liabilities</b>		<u>23,753,295</u>	<u>24,080,230</u>
Creditors: amounts falling due after more than one year	18	(3,366,607)	(2,421,669)
<b>Provisions for liabilities</b>			
Deferred tax	20	(874,230)	(798,558)
Other provisions	21	(394,906)	(406,952)
		<u>(1,269,136)</u>	<u>(1,205,510)</u>
<b>Net assets</b>		<u><u>19,117,552</u></u>	<u><u>20,453,051</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,380,000	1,500,000
Capital redemption reserve	23	121,500	1,500
Capital reserve	23	2,166,338	2,166,338
Profit and loss account	23	15,449,714	16,785,213
<b>Total equity</b>		<u><u>19,117,552</u></u>	<u><u>20,453,051</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 November 2021.

J Thompson Jnr  
Director

The notes on pages 19 to 36 form part of these financial statements.

# Thompsons of Prudhoe Holding Limited

## Company balance sheet At 31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	14	3,000	3,000
<b>Current assets</b>			
Debtors	16	4,414,407	4,741,501
Creditors: amounts falling due within one year	17	(1,140,021)	(524,750)
<b>Net current assets</b>		<u>3,274,386</u>	<u>4,216,751</u>
<b>Total assets less current liabilities</b>		<u>3,277,386</u>	<u>4,219,751</u>
Creditors: amounts falling due after more than one year	18	(1,500,000)	(1,500,000)
<b>Net assets</b>		<u><u>1,777,386</u></u>	<u><u>2,719,751</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,380,000	1,500,000
Capital redemption reserve	23	121,500	1,500
Profit and loss account	23	275,886	1,218,251
<b>Total equity</b>		<u><u>1,777,386</u></u>	<u><u>2,719,751</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £1,057,635 (2020: £234,054).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 November 2021.

  
J Thompson Jnr  
Director

Company registered number: 00579506

The notes on pages 19 to 36 form part of these financial statements.



## Thompsons of Prudhoe Holding Limited

### Consolidated statement of changes in equity Year ended 31 March 2021

	Called up share capital £	Capital redemption reserve £	Capital reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	<b>1,500,000</b>	<b>1,500</b>	<b>2,166,338</b>	<b>15,438,309</b>	<b>19,106,147</b>
Profit for the year	-	-	-	1,746,904	1,746,904
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,746,904</b>	<b>1,746,904</b>
Dividends paid	-	-	-	(400,000)	(400,000)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(400,000)</b>	<b>(400,000)</b>
<b>At 1 April 2020</b>	<b>1,500,000</b>	<b>1,500</b>	<b>2,166,338</b>	<b>16,785,213</b>	<b>20,453,051</b>
Profit for the year	-	-	-	664,501	664,501
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>664,501</b>	<b>664,501</b>
Purchase of own shares	(120,000)	120,000	-	(2,000,000)	(2,000,000)
<b>Total transactions with owners</b>	<b>(120,000)</b>	<b>120,000</b>	<b>-</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>
<b>At 31 March 2021</b>	<b>1,380,000</b>	<b>121,500</b>	<b>2,166,338</b>	<b>15,449,714</b>	<b>19,117,552</b>

The notes on pages 19 to 36 form part of these financial statements.

# Thompsons of Prudhoe Holding Limited

## Company statement of changes in equity Year ended 31 March 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	<b>1,500,000</b>	<b>1,500</b>	<b>1,384,197</b>	<b>2,885,697</b>
Profit for the year	-	-	234,054	234,054
<b>Total comprehensive income for the year</b>	-	-	<b>234,054</b>	<b>234,054</b>
Dividends paid	-	-	(400,000)	(400,000)
<b>Total transactions with owners</b>	-	-	<b>(400,000)</b>	<b>(400,000)</b>
<b>At 1 April 2020</b>	<b>1,500,000</b>	<b>1,500</b>	<b>1,218,251</b>	<b>2,719,751</b>
Profit for the year	-	-	1,057,635	1,057,635
<b>Total comprehensive income for the year</b>	-	-	<b>1,057,635</b>	<b>1,057,635</b>
Purchase of own shares	(120,000)	120,000	(2,000,000)	(2,000,000)
<b>Total transactions with owners</b>	<b>(120,000)</b>	<b>120,000</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>
<b>At 31 March 2021</b>	<b>1,380,000</b>	<b>121,500</b>	<b>275,886</b>	<b>1,777,386</b>

The notes on pages 19 to 36 form part of these financial statements.

# Thompsons of Prudhoe Holding Limited

## Consolidated statement of cash flows Year ended 31 March 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	664,501	1,746,904
<b>Adjustments for:</b>		
Amortisation of intangible assets	27,131	3,876
Depreciation of tangible fixed assets	2,425,050	2,465,996
Loss on disposal of tangible fixed assets	186,826	20,746
Interest paid	233,373	251,827
Taxation charge	157,145	532,903
Decrease in stocks	146,000	72,050
(Increase)/decrease in debtors	(2,577,615)	3,542,787
Increase/(decrease) in creditors	1,161,398	(3,356,323)
Decrease in provisions	(12,046)	(12,046)
Corporation tax paid	(41,477)	(782,915)
<b>Net cash generated from operating activities</b>	<b>2,370,286</b>	<b>4,485,805</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(655,507)	(628,001)
Sale of tangible fixed assets	487,243	99,390
HP interest paid	(83,373)	(95,068)
<b>Net cash from investing activities</b>	<b>(251,637)</b>	<b>(623,679)</b>

# Thompsons of Prudhoe Holding Limited

## Consolidated statement of cash flows (continued) Year ended 31 March 2021

	2021 £	2020 £
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(832,301)
Repayment of finance leases	(1,417,015)	(2,765,680)
Dividends paid	-	(400,000)
Purchase of own shares	(2,000,000)	-
Interest paid	-	(6,759)
Preference share dividend paid	(150,000)	(150,000)
<b>Net cash used in financing activities</b>	<b>(3,567,015)</b>	<b>(4,154,740)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,448,366)</b>	<b>(292,614)</b>
Cash and cash equivalents at beginning of year	3,101,617	3,394,231
<b>Cash and cash equivalents at the end of year</b>	<b>1,653,251</b>	<b>3,101,617</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,922,008	3,698,338
Bank overdrafts	(1,268,757)	(596,721)
	<b>1,653,251</b>	<b>3,101,617</b>

The notes on pages 19 to 36 form part of these financial statements.

## Thompsons of Prudhoe Holding Limited

### Consolidated analysis of net debt Year ended 31 March 2021

	At 1 April 2020 £	Cash flows £	New finance leases £	At 31 March 2021 £
Cash at bank and in hand	3,698,338	(776,330)	-	2,922,008
Bank overdrafts	(596,721)	(672,036)	-	(1,268,757)
Debt due after 1 year	(1,500,000)	-	-	(1,500,000)
Finance leases	(2,531,787)	1,417,015	(2,616,697)	(3,731,469)
	<u>(930,170)</u>	<u>(31,351)</u>	<u>(2,616,697)</u>	<u>(3,578,218)</u>

The notes on pages 19 to 36 form part of these financial statements.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 1. General information and statement of compliance

Thompsons of Prudhoe Holding Limited ('the company') is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the company information page of these financial statements. The nature of the group's operations and its principal activities are set out in the strategic report on page 1.

#### **Statement of compliance**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

### 2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### **2.1 Basis of preparation**

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### **2.2 Reduced disclosures**

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity in respect of its separate (non-group) financial statements and has taken advantage of the exemptions relating to the disclosure of key management personnel compensation and the preparation of a cash flow statement. The consolidated financial statements include the equivalent disclosures and a consolidated cash flow statement.

#### **2.3 Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings as if they formed a single entity. Intercompany transactions and balances are therefore eliminated in full.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.4 Going concern

The group meets its working capital requirements through its operating cash flows, however group bank facilities are available if required.

The directors have prepared financial forecasts which indicate that the group will maintain sufficient financial headroom to enable it to continue meeting its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements. Relative to other companies the group has experienced limited exposure to the impact of the COVID-19 global pandemic both prior to and since the balance sheet date. In line with government guidelines it has been open for trading throughout the lockdown periods and has continued to trade profitably for the 2021 financial year. Since the year end, the group has also continued to maintain significant cash headroom. The group maintained net current assets of £5,135,947 (2020: £5,608,836) and a cash balance of £2,922,008 (2020: £3,698,338) at the year end which the directors consider is sufficient to fully mitigate the risks which remain during the current economic climate.

After making enquiries, the directors have a reasonable expectation that the group has adequate financial and other resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.5 Revenue recognition

##### **Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### **Long term contracts**

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred, where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net rate 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 debtors and creditors.

##### **Government grants**

Government grants are recognised on the accruals basis. Grants relating to assets are recognised in the profit and loss account over the expected life of the asset. Other grants are recognised in the profit and loss account over the period in which the related costs are recognised.

#### 2.6 Employee benefits

##### **Short-term benefits**

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### **Defined contribution pension plan**

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the group in independently administered funds.



# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.7 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

#### 2.8 Intangible fixed assets and amortisation

Goodwill arising on the acquisition of subsidiary undertakings, 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.

#### 2.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	2% straight line
Leasehold improvements	-	straight line over the term of the lease
Plant and machinery	-	15% reducing balance
Motor vehicles	-	15%-20% reducing balance
Fixtures and fittings	-	15% reducing balance

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

# **Thompsons of Prudhoe Holding Limited**

## **Notes to the financial statements Year ended 31 March 2021**

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### **2. Accounting policies (continued)**

#### **2.10 Leases**

Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the group similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

#### **2.11 Fixed asset investments**

In the company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

#### **2.12 Stocks**

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost includes all direct costs and, for manufactured stocks and work in progress, an appropriate proportion of fixed and variable overheads (based on normal operating capacity). Cost is determined using the first-in first-out (FIFO) method. Provision is made as necessary for damaged, obsolete or slow-moving items.

#### **2.13 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

#### **2.14 Financial instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, cash and bank balances and loans to or from related parties, including fellow group companies.

Debt instruments due within one year are measured, initially and subsequently at the transaction price. Debt instruments due after one year are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 2. Accounting policies (continued)

#### 2.15 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonably under the circumstances.

#### *Significant judgments in applying the group's accounting policies*

##### *Long term contracts*

Profit take on contracts in progress at the year end is calculated based upon costs incurred on contracts at the year end projected forward to total costs expected to completion, set against final revenue projected for each contract. This method has been applied historically and profit take is reviewed prior to the financial statements being finalised with any significant changes being applied prior to completion.

In preparing these financial statements, the directors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

#### *Key sources of estimation uncertainty*

##### *Useful lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and the residual values of the assets, which are re-assessed annually and amended when necessary to reflect current estimates. See note 13 for the carrying amount of tangible fixed assets and note 2.8 for the useful lives of each class of asset.

##### *Impairment of debtors*

The group makes an estimate of the recoverable value of trade and other debtors, taking into account the current credit rating of the debtor, the ageing profile and historical experience. See note 16 for the carrying amount of debtors.

##### *Provision for restoration costs and post closure monitoring*

Provision 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 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.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Own product	5,082,761	3,985,403
Haulage	3,847,647	6,800,550
Plant hire	612,503	260,666
Contract	26,920,710	25,832,052
Tipping	2,697,252	2,926,233
Other income	91,487	14,535
Concrete sales and distribution	230,501	380,789
	<u>39,482,861</u>	<u>40,200,228</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	2021 £	2020 £
Coronavirus Job Retention Scheme (CJRS) income	<u>591,521</u>	<u>25,649</u>

### 6. Operating profit

Operating profit is stated after charging:

	2021 £	2020 £
Amortisation of intangible fixed assets (included within administrative expenses)	27,131	3,876
Depreciation of tangible fixed assets	2,425,050	2,465,996
Loss on disposal of tangible fixed assets	186,826	20,746
Other operating lease rentals	<u>80,752</u>	<u>210,316</u>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	<u>32,000</u>	<u>31,200</u>
<b>Fees payable to the group's auditor in respect of:</b>		
Taxation compliance services	7,450	7,300
Taxation advisory services	<u>20,000</u>	<u>5,400</u>
	<u>27,450</u>	<u>12,700</u>

### 8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	11,176,239	10,631,681	253,088	246,210
Social security costs	1,129,369	1,062,325	25,845	25,799
Cost of defined contribution scheme	419,284	301,634	78,595	15,911
	<u>12,724,892</u>	<u>11,995,640</u>	<u>357,528</u>	<u>287,920</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Drivers and plant operatives	117	149	-	-
Administration and management	48	51	7	7
Labourers	148	111	-	-
	<u>313</u>	<u>311</u>	<u>7</u>	<u>7</u>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	369,779	498,845
Company contributions to defined contribution pension schemes	1,260	25,022
	<u>371,039</u>	<u>523,867</u>

During the year retirement benefits were accruing to 1 director (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £272,072 (2020: £199,174).

The value of the groups contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £nil).

### 10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	-	6,759
Preference share dividends	150,000	150,000
Finance leases and hire purchase contracts	83,373	95,068
	<u>233,373</u>	<u>251,827</u>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	109,941	380,344
Adjustments in respect of previous periods	(28,468)	1,025
<b>Total current tax</b>	<b>81,473</b>	<b>381,369</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	75,674	103,868
Changes to tax rates	-	73,126
Adjustment in respect of previous periods	(2)	(25,460)
<b>Total deferred tax</b>	<b>75,672</b>	<b>151,534</b>
<b>Taxation on profit on ordinary activities</b>	<b>157,145</b>	<b>532,903</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before taxation	821,646	2,279,807
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	156,113	433,163
<b>Effects of:</b>		
Expenses not deductible for tax purposes	34,724	41,249
Adjustments to tax charge in respect of prior periods	(28,470)	(24,435)
Deferred tax not provided	(7,511)	7,511
Pension movement	2,289	2,289
Tax rate changes	-	73,126
<b>Total tax charge for the year</b>	<b>157,145</b>	<b>532,903</b>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

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### 11. Taxation (continued)

#### Factors that may affect future tax charges

The rate of corporation tax in the UK throughout the period was 19% and this was the enacted rate of corporation tax at the balance sheet date. Accordingly, the group's profits for this period are taxed at an effective rate of 19% and closing deferred taxation has been calculated based on a rate of 19% (2020: 19%).

In the Spring Budget 2021 the government announced that the main rate of UK corporation tax will increase to 25% from 1 April 2023. This rate was substantively enacted on 24 May 2021.

If closing deferred taxation had been calculated based on a rate of 25%, the deferred tax liability as at 31 March 2021 would have been £276,000 higher.

### 12. Intangible assets

#### Group

	Goodwill £
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	77,519
<b>Amortisation</b>	
At 1 April 2020	50,388
Charge for the year	27,131
At 31 March 2021	77,519
<b>Net book value</b>	
At 31 March 2021	-
At 31 March 2020	27,131

The company holds no intangible fixed assets (2020: £nil).



# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 13. Tangible fixed assets

#### Group

	Freehold property and leasehold improve- ments £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construc- tion £	Total £
<b>Cost</b>						
At 1 April 2020	5,218,354	12,785,603	19,641,718	200,018	170,000	38,015,693
Additions	-	803,793	2,273,091	10,321	184,999	3,272,204
Disposals	-	(1,290,266)	(2,182,583)	(6,391)	-	(3,479,240)
Transfers between classes	-	-	(16,504)	16,504	-	-
At 31 March 2021	5,218,354	12,299,130	19,715,722	220,452	354,999	37,808,657
<b>Depreciation</b>						
At 1 April 2020	860,485	7,873,511	10,770,200	67,234	-	19,571,430
Charge for the year	-	793,541	1,607,520	23,989	-	2,425,050
Disposals	-	(921,169)	(1,877,611)	(6,391)	-	(2,805,171)
At 31 March 2021	860,485	7,745,883	10,500,109	84,832	-	19,191,309
<b>Net book value</b>						
At 31 March 2021	4,357,869	4,553,247	9,215,613	135,620	354,999	18,617,348
At 31 March 2020	4,357,869	4,912,092	8,871,518	132,784	170,000	18,444,263

The company holds no tangible fixed assets (2020: £nil).

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	4,891,317	2,592,906
Motor vehicles	1,529,973	1,698,195
	<u>6,421,290</u>	<u>4,291,101</u>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 14. Fixed asset investments

#### Company

Investments  
in  
subsidiary  
companies  
£

#### Cost and net book value

At 1 April 2020 and 31 March 2021

3,000

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Thompsons of Prudhoe Limited	Demolition and earthworks	Ordinary	100%
W. & M. Thompson (Quarries) Limited	Quarrying	Ordinary	100%
Tyneside Minimix (Concrete) Limited	Concrete manufacture and distribution	Ordinary	100%
Thompsons Asbestos Services Limited	Remediation activities and other waste management services	Ordinary	100%

The address of the registered office of the subsidiaries above is the same as that of the company, given in the company information page of these financial statements.

### 15. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	<u>251,127</u>	<u>397,127</u>

Stocks are stated after provisions for impairment of £nil (2020: £nil). The impairment charge recognised during the year in relation to stock was £nil (2020: £nil).

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	8,471,627	8,249,313	-	-
Amounts owed by group undertakings	-	-	4,280,231	4,586,541
Other debtors	174,485	186,389	133,692	154,203
Prepayments and accrued income	139,885	131,602	484	757
Amounts recoverable on long term contracts	3,302,464	943,542	-	-
	<u>12,088,461</u>	<u>9,510,846</u>	<u>4,414,407</u>	<u>4,741,501</u>

Trade debtors are stated after provisions for impairment of £nil (2020: £111,241). The impairment charge recognised during the year in relation to trade debtors was £48,677 (2020: £330,570).

### 17. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	1,268,757	596,721	1,079,046	445,695
Payments received on account	941,404	511,835	-	-
Trade creditors	4,285,940	3,403,061	-	-
Corporation tax	39,996	-	-	-
Other taxation and social security	1,392,726	1,525,306	30,578	38,942
Net obligations under finance leases and hire purchase contracts (note 19)	1,864,862	1,610,118	-	-
Other creditors	3,477	11,466	3,477	11,467
Accruals and deferred income	328,487	338,968	26,920	28,646
	<u>10,125,649</u>	<u>7,997,475</u>	<u>1,140,021</u>	<u>524,750</u>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 18. Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Net obligations under finance leases and hire purchase contracts (note 19)	1,866,607	921,669	-	-
Share capital treated as debt (note 22)	1,500,000	1,500,000	1,500,000	1,500,000
	<u>3,366,607</u>	<u>2,421,669</u>	<u>1,500,000</u>	<u>1,500,000</u>

### 19. Obligations under finance leases and hire purchase contracts

Minimum lease payments under finance leases and hire purchase contracts fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	1,979,317	1,702,287
After one year and before five years	1,907,829	957,889
Less: future interest charges	(155,677)	(128,389)
	<u>3,731,469</u>	<u>2,531,787</u>

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

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 20. Deferred taxation

#### Group

	2021 £	2020 £
At beginning of year	798,558	647,024
Charged to the profit and loss account	75,672	151,534
<b>At end of year</b>	<b>874,230</b>	<b>798,558</b>
	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Fixed asset timing differences	930,213	856,829
Short term timing differences	(55,983)	(58,271)
	<b>874,230</b>	<b>798,558</b>

The net amount of deferred tax assets and liabilities that are expected to originate within one year of the balance sheet date is £1,255,000 (2020: £83,000). This figure takes account of both the reversal of existing timing differences and the origination of new ones.

### 21. Provisions

#### Group

	Restoration provision £
At 1 April 2020	406,952
Utilised in year	(12,046)
<b>At 31 March 2021</b>	<b>394,906</b>

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 22. Share capital

	2021 £	2020 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,380,000 (2020: 1,500,000) Ordinary shares of £1 each	<u>1,380,000</u>	<u>1,500,000</u>

120,000 Ordinary shares of £1 each were repurchased in the year for cash consideration of £2,000,000 and the shares were subsequently cancelled.

Ordinary shares provide full voting rights of one vote per share; right to dividend after the declaration of a preferential dividend on the preference shares; and right to return of capital and share in surplus capital on winding up or other repayment of capital.

	2021 £	2020 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
1,500,000 (2020: 1,500,000) Preference shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>

Preference shares provide full voting rights of one vote per share; preferential right to a dividend; and right to return of capital and share in surplus capital on winding up or repayment of capital.

### 23. Reserves

#### **Capital redemption reserve**

The capital redemption reserve arises from the company's purchase, or redemption, of its own shares and is not distributable.

#### **Capital reserve**

The capital reserve is distributable and represents the profit and loss reserve accumulated prior to the change in ownership.

#### **Profit and loss account**

The profit and loss account represents cumulative profits and losses, net of cumulative dividends paid and other adjustments.

### 24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounts to £419,284 (2020: £301,634). Contributions totalling £51,392 (2020: £43,257) were payable to the fund at the balance sheet date and are included within creditors.

# Thompsons of Prudhoe Holding Limited

## Notes to the financial statements Year ended 31 March 2021

### 25. Financial commitments

The company has given an unlimited guarantee in favour of Barclays Bank Plc in respect of the bank borrowings of Thompsons of Prudhoe Holding Limited, W. & M. Thompson (Quarries) Limited and Tyneside Minimix (Concrete) Limited. At the end of the year, these borrowings totalled £1,268,757 (2020: £596,721).

### 26. Commitments under operating leases

At 31 March 2021 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	180,940	210,316
Later than 1 year and not later than 5 years	603,902	689,229
Later than 5 years	996,121	1,087,203
	<u>1,780,963</u>	<u>1,986,748</u>

The company had no commitments under non-cancellable operating leases as at the balance sheet date.

### 27. Related party transactions

#### Group

Key management personnel comprise the executive directors, whose remuneration is disclosed in note 9.

#### Company

The company has taken advantage of the exemptions conferred by FRS 102 in not disclosing transactions between wholly owned group companies consolidated into these financial statements.

### 28. Controlling party

The directors consider there to be no ultimate controlling party.