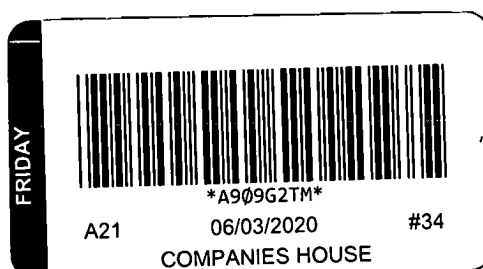


Company Registration No. 02417831 (England and Wales)

**MICK GEORGE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**



# MICK GEORGE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G Craven	
	Mr M A George	
	Mr M E George	
	Mr N G Johnson	
	Mr P D Newman	
	Mr J P Stump	
	Mr S A Costello	(Appointed 20 September 2019)
	Mrs K A Farrell	(Appointed 20 September 2019)
	Mr J A Gossage	(Appointed 20 September 2019)
	Mr R L Ward	(Appointed 20 September 2019)
	Mr A J Hardy	(Appointed 1 November 2019)
<b>Secretary</b>	Mrs K A Farrell	
<b>Company number</b>	02417831	
<b>Registered office</b>	6 Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6XU	
<b>Auditor</b>	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF	

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# **MICK GEORGE LIMITED**

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# MICK GEORGE LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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The directors present the strategic report for the period ended 30 September 2019.

#### Business Review

In last year's review we advised that we had developed and created a highly experienced senior executive management team; four of this team were appointed as full Company Directors in September 2019. During the period we also planned and carried out an internal restructure with the purpose of aligning business operations with its core trading activities, Aggregates & Muck, Waste Management, Readymix Concrete and Contracting Services. As a consequence of this the financial year end was extended by four months to 30th September 2019 to enable the realignment work to be completed for the start of a new financial period.

Performance for the period to 30 September 2019 was in line with expectation, building on the investments made in the previous financial year and an enhancing reputation for performance on large scale projects.

Group revenue for the sixteen-month period climbed to £255m of which £195m related to the twelve months to 31 May 2019, a 23% increase from £158m in the year to 31 May 2018. This was achieved as a result of increasing market share and the full year effect of the acquisitions made in 2018. This growth was in line with the forecast strategy whilst driving improved efficiencies and reducing the level of overall business debt. Profit margins were maintained or improved, excluding the business acquisitions, compared to 2018 as investments made to improve efficiency and service quality delivered returns.

Whilst business growth is expected to continue into 2020 there remains a high emphasis on consolidating the business in the geographic areas where we have a strong presence and market position, continuing commitment to drive efficiency, customer service and margin whilst making selective investments that complement and grow the existing business. Development of the Group's new transfer station and concrete batching plant in Milton Keynes was deferred again by the board but is planned for completion in 2020. Increased levels of commercial confidence as a result of recent political outcomes have created a high demand for all of the business's services and a significantly stronger than usual pipeline for the contracting division is also expected to drive growth for the Group as a whole.

In December 2019 the Group sold its wheelie bin operation to Veolia having identified this part of its waste service as non-core. Mick George Recycling Limited set up in 2015 and operated completely independently from all the Group's other waste management operations was responsible for a commercial and industrial waste collection service via a fleet of dustcart vehicles. The sale was considered a good deal for the group in terms of the sale price achieved and its core objectives for future growth and development.

The Group's bank financing facilities with HSBC were due for renewal on 10 March 2020. Therefore, at the balance sheet date of 30 September 2019, all bank loans and overdrafts have been reported as being repayable in less than one year to comply with the requirement of Financial Reporting Standards. Subsequent to the year end the facility has been renewed for a further three-year period prior to signing these accounts and therefore a proportion of these loans will be included in long term liabilities within bank loans for the year ended 30 September 2020.

Post year end, the balance on bank loans had been paid down to £14 million (£21.5m at 30 Sep 2019) by applying part of the disposal proceeds of the trade waste business.

The board continues to be hands-on across all elements of the business and strategically developing and enhancing its ability to be the No 1 service partner across the construction sector in East Anglia and East Midlands for all of its core services and operations.

# **MICK GEORGE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 30 SEPTEMBER 2019***

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### **Accounting Controls**

The Group produces monthly management accounts and KPI data to strict deadlines and forecasts detailed cash requirements for several months on a rolling basis. A three-year plan to 2022 has been developed reflecting the business strategy. The business continues to follow, monitor and compare against the plan and all key operational activities are monitored and constantly reviewed and, if deemed appropriate, changes are implemented.

### **Information Technology**

The Group has continuously invested in technology to provide key information on business operations whilst introducing new platforms and processes where there is a clear benefit and to ensure business continuity. The outsourced IT solution continues to provide a stable and consistent platform, whilst minimising the risk of cyber-attack and system failure. Disaster recovery plans have been enhanced further and continue to be reviewed and tested on a regular basis. During the reporting period, a number of technology initiatives were successfully implemented, notably digital ticketing for customers which has brought significant operational and financial benefits as well as improved control. A business intelligence platform has also been implemented which extracts data from the Group's different operating and financial systems to provide consolidated information on a daily and ad hoc basis, providing a deeper insight to performance and trends than has previously been available and enabling managers at all levels to identify and address emerging issues and trends almost in real time. Further system implementations are planned for 2020 including the migration of both the recycling and contracting businesses to new software platforms.

### **Competition**

Competition is a constant threat but one which the Group has always relished. Operating in highly competitive sectors the Group has been able to continually increase market share across all areas of the business with continuous brand development whilst investing in vehicles and plant to meet its customers' demands.

### **Compliance**

Compliance will always remain at the heart of everything the Group does, whether it is managing its large fleet of vehicles, operating its network of quarries, landfill and waster transfer stations or complying with its statutory and governing body regulations. The Group has continually invested in people and systems whilst engaging with external professional bodies and stakeholders to ensure the business maintains the high standards it sets itself. Having levels of compliance above the majority of our competitors has enabled the business to secure a large amount of work.

# MICK GEORGE LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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### Principal risks and uncertainties

#### Financial Risk Management Objectives and Policies

The Group uses financial instruments including bank loans and overdrafts, confidential invoice discounting, finance leases, hire purchase agreements and trade debtors and creditors. The main purpose of these financial instruments is to raise finance for the Group's operations. These instruments expose the Group to a number of financial risks, which are described below.

The main risks arising from the Group's financial instruments are market risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing these risks as summarised below; they remain unchanged from previous years.

#### Market Risk

The main risk is the fair value interest rate risk. The Group's policies for managing fair value interest rate risk are considered along with those for managing cashflow interest rate risk and set out under "interest risk" below.

#### Interest Risk

The Group finances its operations through a mixture of profits and bank and hire purchase (or similar) borrowings. The Group exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

#### Liquidity Risk

The Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet ongoing operations and future development. Short term debt finance flexibility is achieved by invoice discounting, hire purchase and bank loans.

#### Credit Risk

The Group's principal financial assets are cash and trade debtors. In order to manage credit risk the directors set limits for customers based on carrying out independent credit checks, credit agency and third party references; payment history is also monitored based on trading history, once this has been established. Credit limits are reviewed on a regular basis by the credit control team in conjunction with debt aging and collection history.

#### Key performance indicators

The key performance indicators monitored by the board are retained profits, turnover per employee and EBITDA. These are:

	<b>2019 16 months</b>	<b>2018 12 months</b>
Profit for the financial period	£11,557,000	£6,625,000
Turnover per employee	£210,000	£133,000
EBITDA	£31,902,000	£19,890,000

The directors are satisfied with performance against the targets set.

# MICK GEORGE LIMITED

## STRATEGIC REPORT (CONTINUED)

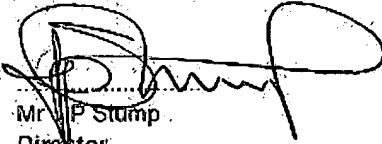
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### Other performance indicators

Other key performance indicators which the board and its management team consistently monitor are wide ranging across its business operations, including staff absence and attrition, operating site inputs and outputs, vehicle optimisation, vehicle fuel consumption, cost of idling and miles travelled, numbers of phone calls received, driver behaviour and metres cubed of concrete delivered. All are regularly monitored and reviewed with change, development and other actions initiated as appropriate.

On behalf of the board



Mr. P. Stump

Director

5 MARCH 2020

# MICK GEORGE LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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The directors present their annual report and financial statements for the period ended 30 September 2019.

#### Principal activities

The principal activity of the company continued to be that of the supply of construction and waste services consisting of earthworks, demolition and site clearance, waste management including skip hire, treatment and disposal, recycling, quarrying of aggregates, land restoration and landfill and the supply of ready mix concrete.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr G Craven	
Mr M A George	
Mr M E George	
Mr N G Johnson	
Mr P D Newman	
Mr J P Stump	
Mr S A Costello	(Appointed 20 September 2019)
Mrs K A Farrell	(Appointed 20 September 2019)
Mr J A Gossage	(Appointed 20 September 2019)
Mr R L Ward	(Appointed 20 September 2019)
Mr A J Hardy	(Appointed 1 November 2019)

#### Results and dividends

The results for the period are set out on page 11.

Ordinary dividends were paid amounting to £725,000. The directors do not recommend payment of a further dividend.

#### Disabled persons

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

#### Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### Auditor

Mercer & Hole were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.



# MICK GEORGE LIMITED

## DIRECTORS' REPORT (CONTINUED)

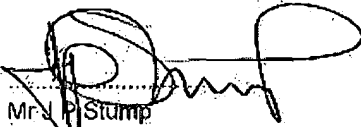
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mrs. P. Stump  
Director

Date: 5<sup>th</sup> MARCH 2020

# **MICK GEORGE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MICK GEORGE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MICK GEORGE LIMITED

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#### Opinion

We have audited the financial statements of Mick George Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 FRS 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 the parent company's affairs as at 30 September 2019 and of the group's profit for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# **MICK GEORGE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MICK GEORGE LIMITED**

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

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the 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 strategic report and the directors' report.

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

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

### **Responsibilities of directors**

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, 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.

### **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 financial statements.

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

# MICK GEORGE LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MICK GEORGE LIMITED

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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.



Steve Robinson FCA (Senior Statutory Auditor)  
for and on behalf of Mercer & Hole

Chartered Accountants  
Statutory Auditor

5 March 2020

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 2AF

# MICK GEORGE LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2019

		Period ended 30 September 2019 £	Year ended 31 May 2018 £
	Notes		
Turnover	3	255,192,470	158,301,076
Cost of sales		(203,287,606)	(124,972,745)
<b>Gross profit</b>		<b>51,904,864</b>	<b>33,328,331</b>
Administrative expenses		(35,822,084)	(23,604,288)
Other operating income		207,232	95,964
<b>Operating profit</b>	4	<b>16,290,012</b>	<b>9,820,007</b>
Interest receivable and similar income	8	571,328	1,005
Interest payable and similar expenses	9	(2,919,178)	(1,702,944)
<b>Profit before taxation</b>		<b>13,942,162</b>	<b>8,118,068</b>
Tax on profit	10	(2,384,680)	(1,492,837)
<b>Profit for the financial period</b>	29	<b>11,557,482</b>	<b>6,625,231</b>
Profit for the financial period is attributable to:			
- Owners of the parent company		11,554,874	6,606,126
- Non-controlling interests		2,608	19,105
		<b>11,557,482</b>	<b>6,625,231</b>

# MICK GEORGE LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Period ended 30 September 2019 £	Year ended 31 May 2018 £
<b>Profit for the period</b>	11,557,482	6,625,231
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets and intangible assets	-	(1,383,000)
Tax relating to other comprehensive income	-	(609,000)
<b>Other comprehensive income for the period</b>	-	(1,992,000)
<b>Total comprehensive income for the period</b>	11,557,482	4,633,231
Total comprehensive income for the period is attributable to:		
- Owners of the parent company	11,554,874	4,614,126
- Non-controlling interests	2,608	19,105
	11,557,482	4,633,231

# MICK GEORGE LIMITED

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Goodwill	12	715,213		1,138,716	
Other intangible assets	12	(4,018,375)		(4,707,000)	
Total intangible assets		(3,303,162)		(3,568,284)	
Tangible assets	13	104,654,658		103,343,620	
Investment properties	14	-		1,273,116	
Investments	15	50,001		-	
		101,401,497		101,048,452	
<b>Current assets</b>					
Stocks	19	7,292,001		6,399,178	
Debtors	20	52,138,663		42,500,977	
Cash at bank and in hand		3,533,941		2,212,387	
		62,964,605		51,112,542	
<b>Creditors: amounts falling due within one year</b>	21	(104,949,652)		(79,248,800)	
<b>Net current liabilities</b>		(41,985,047)		(28,136,258)	
<b>Total assets less current liabilities</b>		59,416,450		72,912,194	
<b>Creditors: amounts falling due after more than one year</b>	22	(7,151,421)		(31,583,000)	
<b>Provisions for liabilities</b>	25	(5,484,881)		(5,381,528)	
<b>Net assets</b>		46,780,148		35,947,666	
<b>Capital and reserves</b>					
Called up share capital	28	1,000		1,000	
Revaluation reserve	29	4,243,829		3,581,658	
Profit and loss reserves	29	42,345,864		32,178,161	
<b>Equity attributable to owners of the parent company</b>		46,590,693		35,760,819	
<b>Non-controlling interests</b>		189,455		186,847	
		46,780,148		35,947,666	



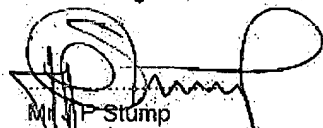
**MICK GEORGE LIMITED**

**GROUP BALANCE SHEET (CONTINUED)**

**AS AT 30 SEPTEMBER 2019**

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The financial statements were approved by the board of directors and authorised for issue on 5<sup>th</sup> March 2020 and are signed on its behalf by:

  
Mick P. Stump  
Director

# MICK GEORGE LIMITED

## COMPANY BALANCE SHEET

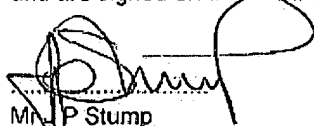
AS AT 30 SEPTEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	81,262,044		78,258,477	
Investments	15	7,873,590		8,267,590	
		<u>89,135,634</u>		<u>86,526,067</u>	
<b>Current assets</b>					
Stocks	19	4,741,975	5,031,110		
Debtors	20	48,000,606	32,809,000		
Cash at bank and in hand		2,420,636	1,591,366		
		<u>55,163,217</u>	<u>39,431,476</u>		
<b>Creditors: amounts falling due within one year</b>	21	(87,748,073)	(57,940,022)		
<b>Net current liabilities</b>		<u>(32,584,856)</u>	<u>(18,508,546)</u>		
<b>Total assets less current liabilities</b>		<u>56,550,778</u>	<u>68,017,521</u>		
<b>Creditors: amounts falling due after more than one year</b>	22	(6,433,666)	(29,364,751)		
<b>Provisions for liabilities</b>	26	(4,661,292)	(3,932,564)		
<b>Net assets</b>		<u>45,455,820</u>	<u>34,720,206</u>		
<b>Capital and reserves</b>					
Called up share capital	28	1,000	1,000		
Revaluation reserve	29	4,243,829	3,581,658		
Profit and loss reserves	29	41,210,991	31,137,548		
<b>Total equity</b>		<u>45,455,820</u>	<u>34,720,206</u>		

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £11,460,614 (2018 - £5,289,888 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5<sup>th</sup> March 2020 and are signed on its behalf by:

  
Mr. P Stump  
Director

Company Registration No. 02417831

# MICK GEORGE LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 June 2017</b>	1,000	4,964,658	27,628,035	32,593,693	167,742	32,761,435
<b>Period ended 31 May 2018:</b>						
Profit for the period	-	-	6,606,126	6,606,126	19,105	6,625,231
Other comprehensive income:						-
Revaluation of tangible fixed assets	-	(1,383,000)	-	(1,383,000)	-	(1,383,000)
Tax relating to other comprehensive income	-	-	(609,000)	(609,000)	-	(609,000)
Total comprehensive income for the period	-	(1,383,000)	5,997,126	4,614,126	19,105	4,633,231
Dividends	-	-	(1,447,000)	(1,447,000)	-	(1,447,000)
<b>Balance at 31 May 2018</b>	1,000	3,581,658	32,178,161	35,760,819	186,847	35,947,666
<b>Period ended 30 September 2019:</b>						
Profit and total comprehensive income for the period	-	-	11,554,874	11,554,874	2,608	11,557,482
Dividends	-	-	(725,000)	(725,000)	-	(725,000)
Transfers	-	662,171	(662,171)	-	-	-
<b>Balance at 30 September 2019</b>	1,000	4,243,829	42,345,864	46,590,693	189,455	46,780,148

# MICK GEORGE LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 June 2017</b>		1,000	4,964,658	27,901,660	32,867,318
<b>Period ended 31 May 2018:</b>					
Profit for the period		-	-	5,289,888	5,289,888
Other comprehensive income:					
Revaluation of tangible fixed assets		-	(1,383,000)	-	(1,383,000)
Tax relating to other comprehensive income		-	-	(609,000)	(609,000)
Total comprehensive income for the period		-	(1,383,000)	4,680,888	3,297,888
Dividends	11	-	-	(1,445,000)	(1,445,000)
<b>Balance at 31 May 2018</b>		1,000	3,581,658	31,137,548	34,720,206
<b>Period ended 30 September 2019:</b>					
Profit and total comprehensive income for the period		-	-	11,460,614	11,460,614
Dividends	11	-	-	(725,000)	(725,000)
Transfers		-	662,171	(662,171)	-
<b>Balance at 30 September 2019</b>		1,000	4,243,829	41,210,991	45,455,820

# MICK GEORGE LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	36	27,976,364		19,226,896	
Interest paid		(2,919,178)		(1,702,944)	
Corporation tax paid		(1,354,454)		(164,946)	
<b>Net cash inflow from operating activities</b>		<b>23,702,732</b>		<b>17,359,006</b>	
<b>Investing activities</b>					
Sale/(Purchase) of intangible assets		120,000		(1,443,716)	
Purchase of tangible fixed assets		(20,092,454)		(13,919,305)	
Proceeds on disposal of tangible fixed assets		2,191,908		954,022	
Purchase of investment property		-		(1,273,116)	
Purchase of associates		(50,001)		-	
Purchase of subsidiary undertakings		-		(10,981,000)	
Other investments and loans made		(2,587,903)		-	
Interest received		571,328		1,005	
<b>Net cash used in investing activities</b>		<b>(19,847,122)</b>		<b>(26,662,110)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		500,000		8,000,000	
Payment of finance leases obligations		(7,057,657)		(6,079,866)	
Dividends paid to equity shareholders		(725,000)		(1,447,000)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(7,282,657)</b>		<b>473,134</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(3,427,047)</b>		<b>(8,829,970)</b>	
Cash and cash equivalents at beginning of period		(25,653,613)		(16,823,643)	
<b>Cash and cash equivalents at end of period</b>		<b>(29,080,660)</b>		<b>(25,653,613)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		3,533,941		2,212,387	
Bank overdrafts included in creditors payable within one year		(32,614,601)		(27,866,000)	

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

#### Company information

Mick George Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 6 Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU.

The group consists of Mick George Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

The Company has taken advantage of the exemption allowed under 408 of the Company Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit and loss of the group. The company has therefore taken advantage from the disclosure requirements of the group to not present its own statement of cash flows.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("The Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The results of the associates as detailed in Note 17 do not form part of the consolidation due to the group not having a controlling interest.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially measured recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transaction to FRS 102, being 31 May 2014.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The financial statement have been prepared on a going concern basis, which assumed the Group will continue in operational existence for the foreseeable future. The results for the 2019 financial period show a profit before tax for the period of £13,942,163.

The directors have prepared projected profit and cashflow forecasts and believe that the group will have sufficient cash resources to satisfy its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements and so have prepared on a going concern basis. The financial statements do not include any adjustments that might arise if the going concern basis is not appropriate.

#### 1.4 Reporting period

The current reporting period was extended to a 16 month period ending 30 September 2019, and thus, are not comparable to the prior period for the year ended 31 May 2018.

#### 1.5 Revenue

Revenue is recognised at the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Profit and Loss Account over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimate useful lives range as follows:

Positive Goodwill - 10 years  
Negative Goodwill - 10 years

#### 1.7 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties and landfill and quarry sites, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Land and buildings	See note below
Plant and equipment	10% straight line
Fixtures and fittings	25% straight line
Motor vehicles	10% - 15%

Freehold land and assets in the course of construction are not depreciated.

Landfill sites included within the freehold and leasehold property are held at valuation. Valuations are reviewed by management with sufficient regularity. Updated external valuations will be sought sooner if the directors identify significant changes to the valuation have occurred. Fixed asset costs included capitalised labour, plant and consumed materials used to construct infrastructure at the company's freehold and leasehold sites where it creates facilities and infrastructure to enable the group to improve operational performance and activities. Only directly attributable costs are capitalised, based on management estimates of the time and costs incurred in respect of these works.

Annual depreciation on landfill and quarry sites are based on the carrying value including the revaluations of such sites at the beginning of the year, and calculated by straight line over the life of the asset.

Transfer stations are a separate class of land and buildings and are depreciated over the life of the lease.

The group does not currently provide for depreciation of its freehold land and buildings. It maintains these in good condition with regular repair and maintenance. The directors do not consider that the residual values of land and property to fall below the original cost.



# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

Individual freehold and leasehold land and buildings are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

The freehold and leasehold interests in the properties held by Mick George Ltd and Frimstone Ltd were independently valued as at 31 August 2018 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book. The valuation accord with the requirements of FRS 102 and the RICS valuation - Global Standards 2017 incorporating the IVSC International Standards (the RICS Red Book) issued June 2017 and effective from 1 July 2017.

The Valuers reported that the aggregate of the Fair Value of the properties held by Mick George Ltd and Frimstone Ltd amounted to £36.875 million as at 31 August 2018.

The valuations were arrived at predominantly by reference to market evidence for comparable properties.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit and loss.

#### 1.8 Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changed in fair value are recognised in the Consolidated Profit and Loss Account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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### 1 Accounting policies

(Continued)

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Stocks of aggregate extracted from the company's extraction sites are measured by the company's qualified valuer. The cost estimated by management is based on time and costs incurred during the extraction, preparation and grading processes for each class and grade of aggregate held at the balance sheet date. Costs of other consumables are recorded by reference to original price.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.12 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

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

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.17 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **1.18 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.19 Retirement benefits**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 June 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### 1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

The Company makes judgements, estimates and assumptions that effect the application of policies and the carrying of values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the actual results but are based on the experience of the directors and the expectation of future events. The estimates are review on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The key judgements and sources of estimation uncertainty include economic lives and valuation of intangible and tangible fixed assets.

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of services	255,192,470	158,301,076
	<u>                    </u>	<u>                    </u>
	2019 £	2018 £
<b>Other significant revenue</b>		
Rent receivable	207,232	96,000
	<u>                    </u>	<u>                    </u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	UK	255,192,470	158,301,076
		<u><u>          </u></u>	<u><u>          </u></u>
<b>4</b>	<b>Operating profit</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Operating profit for the period is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	15,997,592	9,828,911
	Loss on disposal of tangible fixed assets	591,916	491,000
	Amortisation of intangible assets	(385,122)	241,000
	Operating lease charges	2,875,363	1,501,000
		<u><u>          </u></u>	<u><u>          </u></u>
	Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £52,202 (2018 - £36,681) of exchange losses.		
<b>5</b>	<b>Auditor's remuneration</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	65,000	83,000
		<u><u>          </u></u>	<u><u>          </u></u>
	<b>For other services</b>		
	Taxation compliance services	27,000	57,000
	Other taxation services	-	56,000
	All other non-audit services	26,000	169,000
		<u><u>          </u></u>	<u><u>          </u></u>
		53,000	282,000
		<u><u>          </u></u>	<u><u>          </u></u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Distribution Staff	891	876	692	664
Administrative Staff	259	240	202	193
Management Staff	81	75	63	58
	<u>1,231</u>	<u>1,191</u>	<u>957</u>	<u>915</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 as restated £	Company 2019 £	2018 as restated £
Wages and salaries	57,527,938	40,134,537	42,420,321	29,367,130
Social security costs	5,800,109	4,052,250	4,374,621	3,120,256
Pension costs	1,022,274	396,359	717,373	259,653
	<u>64,350,321</u>	<u>44,583,146</u>	<u>47,512,315</u>	<u>32,747,039</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	964,671	715,000
Company pension contributions to defined contribution schemes	24,231	17,000
	<u>988,902</u>	<u>732,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2018 - 4).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	213,333	160,000
Company pension contributions to defined contribution schemes	5,787	4,000
	<u>219,120</u>	<u>164,000</u>



# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	1,568	1,005
Other interest income	569,760	-
<b>Total income</b>	<u>571,328</u>	<u>1,005</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>1,568</u>	<u>1,005</u>
--------------------------------------------------------------------------------	--------------	--------------

### 9 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,276,186	417,741
Interest on invoice finance arrangements	849,025	532,027
	<u>2,125,211</u>	<u>949,768</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	793,967	753,176
<b>Total finance costs</b>	<u>2,919,178</u>	<u>1,702,944</u>

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,990,242	1,213,702
Adjustments in respect of prior periods	(204,145)	-
<b>Total current tax</b>	<u>1,786,097</u>	<u>1,213,702</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>598,583</u>	<u>279,135</u>
<b>Total tax charge</b>	<u>2,384,680</u>	<u>1,492,837</u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 10 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	13,942,162	8,118,068
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	2,649,011	1,542,433
Tax effect of expenses that are not deductible in determining taxable profit	(10,811)	121,391
Adjustments in respect of prior years	(204,146)	-
Permanent capital allowances in excess of depreciation	191,955	(50,987)
Other non-reversing timing differences	4,826	-
Other permanent differences	(448)	-
Deferred tax adjustments in respect of prior years	144,151	-
Balancing charges	(227,991)	-
Timing differences not recognised	-	42,000
Other differences leading to an increase in the tax charge	-	4,000
Group adjustments not taxable	(161,867)	-
Change in deferred tax rates	-	(166,000)
Taxation charge	2,384,680	1,492,837

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019 £	2018 £
Deferred tax arising on:		
Revaluation of property recognised as other comprehensive income	-	609,000

### 11 Dividends

	2019 £	2018 £
Final paid	725,000	1,447,000

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 12 Intangible fixed assets

Group	Goodwill £	Customer relationships £	Negative goodwill £	Total £
<b>Cost</b>				
At 1 June 2018	1,443,716	450,000	(4,771,000)	(2,877,284)
Change in cost	(120,000)	-	-	(120,000)
At 30 September 2019	1,323,716	450,000	(4,771,000)	(2,997,284)
<b>Amortisation and impairment</b>				
At 1 June 2018	305,000	450,000	(64,000)	691,000
Amortisation charged for the period	303,503	-	(688,625)	(385,122)
At 30 September 2019	608,503	450,000	(752,625)	305,878
<b>Carrying amount</b>				
At 30 September 2019	715,213	-	(4,018,375)	(3,303,162)
At 31 May 2018	1,138,716	-	(4,707,000)	(3,568,284)
<b>Company</b>				<b>Goodwill £</b>
<b>Cost</b>				
At 1 June 2018 and 30 September 2019				168,000
<b>Amortisation and impairment</b>				
At 1 June 2018 and 30 September 2019				168,000
<b>Carrying amount</b>				
At 30 September 2019				-
At 31 May 2018				-

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 13 Tangible fixed assets

Group	Land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 June 2018	41,768,110	2,335,421	85,246,000	2,234,000	9,286,000	140,869,531
Additions	3,599,680	880,783	14,345,438	264,835	1,001,718	20,092,454
Disposals	-	(187,013)	(9,115,568)	-	(1,325,066)	(10,627,647)
Transfers	397,253	(397,253)	-	-	-	-
At 30 September 2019	45,765,043	2,631,938	90,475,870	2,498,835	8,962,652	150,334,338
<b>Depreciation and impairment</b>						
At 1 June 2018	4,892,911	-	28,979,000	1,581,000	2,073,000	37,525,911
Depreciation charged in the period	2,469,749	-	11,518,436	396,747	1,612,660	15,997,592
Eliminated in respect of disposals	-	-	(7,127,615)	-	(716,208)	(7,843,823)
At 30 September 2019	7,362,660	-	33,369,821	1,977,747	2,969,452	45,679,680
<b>Carrying amount</b>						
At 30 September 2019	38,402,383	2,631,938	57,106,049	521,088	5,993,200	104,654,658
At 31 May 2018	36,875,199	2,335,421	56,267,000	653,000	7,213,000	103,343,620

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 13 Tangible fixed assets

(Continued)

Company	Land and buildings £	Assets under construction £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 June 2018	30,152,911	2,058,421	76,835,545	2,203,947	2,122,901	113,373,725
Additions	3,172,720	738,006	12,993,180	264,835	381,148	17,549,889
Disposals	-	(51,414)	(8,716,915)	-	(80,726)	(8,849,055)
Transfers	331,659	(331,659)	-	-	-	-
At 30 September 2019	33,657,290	2,413,354	81,111,810	2,468,782	2,423,323	122,074,559
<b>Depreciation and impairment</b>						
At 1 June 2018	4,892,911	-	27,855,560	1,571,363	795,414	35,115,248
Depreciation charged in the period	1,755,193	-	10,011,259	389,744	433,777	12,589,973
Eliminated in respect of disposals	-	-	(6,832,814)	-	(59,892)	(6,892,706)
At 30 September 2019	6,648,104	-	31,034,005	1,961,107	1,169,299	40,812,515
<b>Carrying amount</b>						
At 30 September 2019	27,009,186	2,413,354	50,077,805	507,675	1,254,024	81,262,044
At 31 May 2018	25,260,000	2,058,421	48,979,985	632,584	1,327,487	78,258,477

The carrying value of land and buildings comprises:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Freehold	9,695,551	8,555,199	4,195,725	4,085,000
Long leasehold	28,706,832	28,320,000	22,813,461	21,175,000
	<u>38,402,383</u>	<u>36,875,199</u>	<u>27,009,186</u>	<u>25,260,000</u>

Land and buildings were revalued at 31 August 2018 by Savills (UK) Limited, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The directors have reviewed these values at 30 September 2019.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 13 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	42,204,101	38,207,169	30,075,375	26,570,997
Accumulated depreciation	(7,362,660)	(4,892,911)	(6,648,104)	(4,892,911)
Carrying value	<u>34,841,441</u>	<u>33,314,258</u>	<u>23,427,271</u>	<u>21,678,086</u>

The net book value of assets under hire purchase was £27,698,301 (2018 - £45,734,000). The depreciation charge in the period relating to these assets was £4,426,429 (2018 - £7,244,000).

### 14 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 June 2018	1,273,116	-
Transfers to held for sale	(1,273,116)	-
At 30 September 2019	<u>-</u>	<u>-</u>

The investment property was transferred to loans receivable for assets transferred to related parties and fixed asset investments for investments in Markham & George Property Limited and Campbell Buchanan George LLP.

### 15 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	16	-	-	7,873,590	8,267,590
Investments in associates	17	50,001	-	-	-
		<u>50,001</u>	<u>-</u>	<u>7,873,590</u>	<u>8,267,590</u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 15 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Group

Shares in  
group  
undertakings  
and  
participating  
interests  
£

#### Cost or valuation

At 1 June 2018

-

Transfers

50,001

At 30 September 2019

50,001

#### Carrying amount

At 30 September 2019

50,001

At 31 May 2018

-

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 June 2018

8,267,590

Valuation changes

(394,000)

At 30 September 2019

7,873,590

#### Carrying amount

At 30 September 2019

7,873,590

At 31 May 2018

8,267,590

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 16 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Frimstone Limited	Note 1	Ordinary	100.00	
Mick George Concrete Limited	Note 1	Ordinary	100.00	
*Mick George Mini Limited	Note 1	Ordinary	50.00	
*Mick George Telecom Limited	Note 1	Ordinary	100.00	
*MG Recycling Limited (formerly Mick George Commodities Limited)	Note 1	Ordinary	100.00	
Mick George Recycling Limited (Subsequently sold & renamed)	Note 1/ Note 2	Ordinary	100.00	
*Mick George Plant Limited	Note 1	Ordinary	100.00	
*Mick George Environmental Limited	Note 1	Ordinary	100.00	
*Mick George Retail Limited	Note 1	Ordinary	100.00	
*Mick George Vehicle Leasing Limited	Note 1	Ordinary	100.00	
*Mick George Demolition Limited (formerly Mick George Earthworks Limited and MG Demolition Limited)	Note 1	Ordinary	-	100.00
*Mick George Contracting Limited	Note 1	Ordinary	100.00	
*Mick George Facilities Management Limited	Note 1	Ordinary	100.00	
*Mick George Property Limited	Note 1	Ordinary	100.00	
*Mick George Earthworks Limited (formerly Mick George Demolition Limited)	Note 1	Ordinary	100.00	
*DRBS East Limited	Note 1	Ordinary	-	100.00
*Mixco Concrete Limited	Note 1	Ordinary	-	100.00
*Midland Lime Limited	Note 1	Ordinary	-	100.00
*Mick George Recycling Limited (formerly Mick George Planning Limited)	Note 1	Ordinary	100.00	

#### Registered office addresses (all UK unless otherwise indicated):

- 1) 6 Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU
- 2) The company was sold and renamed post year end. Please refer to Note 31
- \* For the period ended 30 September 2019 the above companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. All the above companies were incorporated in England and Wales

### 17 Associates

Details of associates at 30 September 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Markham & George Property Limited	UK	Ordinary		50.00
Campbell Buchanan George LLP	UK	Percentage holding		50.00



# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 18 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	42,562,297	34,846,977	40,428,819	27,498,000
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	99,438,847	98,307,800	83,757,133	77,508,108

### 19 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	1,409,866	862,773	1,030,452	862,773
Finished goods and goods for resale	5,882,135	5,536,405	3,711,523	4,168,337
	7,292,001	6,399,178	4,741,975	5,031,110

Stock recognised in cost of sales during the period as an expense amounted to £57,953,351 (2018 - £38,355,705).

### 20 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Trade debtors	35,498,495	33,548,977	28,025,709	22,499,000
Gross amounts owed by contract customers	5,181,014	3,407,000	4,281,018	2,207,000
Amounts owed by group undertakings	-	-	7,806,564	3,772,000
Other debtors	7,213,793	1,298,000	4,596,546	1,227,000
Prepayments and accrued income	4,245,361	4,247,000	3,290,769	3,104,000
	52,138,663	42,500,977	48,000,606	32,809,000

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 21 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	23	54,114,601	27,866,000	46,561,682	18,530,903
Obligations under finance leases	24	9,351,922	12,978,000	8,060,933	10,667,566
Trade creditors		21,596,546	16,718,050	15,917,773	12,477,000
Corporation tax payable		1,692,569	1,261,000	516,351	484,130
Other taxation and social security		10,969,657	11,263,000	9,908,255	9,312,535
Other creditors		1,559,976	1,136,000	1,126,037	1,097,889
Accruals and deferred income		5,664,381	8,026,750	5,657,042	5,369,999
		<u>104,949,652</u>	<u>79,248,800</u>	<u>87,748,073</u>	<u>57,940,022</u>

The Group's bank financing facilities with HSBC were due for renewal on 10 March 2020. At the balance sheet date of 30 September, loans totalling £21.5 million were technically repayable in less than one year and therefore classified as falling due within one year. Subsequent to the year end a new facility has been entered into before these accounts were signed.

The facility with HSBC was renewed on 4 March 2020 under a two-year agreement with an option to extend for a further year.

### 22 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	23	-	21,000,000	-	21,000,000
Obligations under finance leases	24	7,151,421	10,582,734	6,433,666	8,364,751
		<u>7,151,421</u>	<u>31,582,734</u>	<u>6,433,666</u>	<u>29,364,751</u>

### 23 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	21,500,000	21,000,000	21,500,000	21,000,000
Bank overdrafts	32,614,601	27,866,000	25,061,682	18,530,903
	<u>54,114,601</u>	<u>48,866,000</u>	<u>46,561,682</u>	<u>39,530,903</u>
Payable within one year	54,114,601	27,866,000	46,561,682	18,530,903
Payable after one year	-	21,000,000	-	21,000,000

The long-term loans are secured by fixed charges over the group's land and buildings and by fixed and floating charges over the book debts and fixed assets.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 24 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	9,351,922	12,978,000	8,060,933	10,667,566
In two to five years	7,151,421	10,583,000	6,433,666	8,364,751
	<u>16,503,343</u>	<u>23,561,000</u>	<u>14,494,599</u>	<u>19,032,317</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 25 Provisions for liabilities

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Site restoration		-	495,304	-	-
Deferred tax liabilities	26	5,484,881	4,886,224	4,661,292	3,932,564
		<u>5,484,881</u>	<u>5,381,528</u>	<u>4,661,292</u>	<u>3,932,564</u>

Movements on provisions apart from deferred tax liabilities:

Group	Site restorations £
At 1 June 2018	495,304
Reversal of provision	(495,304)
At 30 September 2019	<u>-</u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 26 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities 2019 £</b>	<b>Liabilities 2018 £</b>
<b>Group</b>		
Accelerated capital allowances	5,109,511	4,891,660
Revaluations	387,146	-
Short term timing differences	(11,776)	(5,436)
	<u>5,484,881</u>	<u>4,886,224</u>
	<b>Liabilities 2019 £</b>	<b>Liabilities 2018 £</b>
<b>Company</b>		
Accelerated capital allowances	4,061,257	3,938,000
Revaluations	608,882	-
Short term timing differences	(8,847)	(5,436)
	<u>4,661,292</u>	<u>3,932,564</u>
	<b>Group 2019 £</b>	<b>Company 2019 £</b>
<b>Movements in the period:</b>		
Liability at 1 June 2018	4,886,224	3,932,564
Charge to profit or loss	598,657	728,728
	<u>5,484,881</u>	<u>4,661,292</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

### 27 Retirement benefit schemes

	<b>2019 £</b>	<b>2018 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>1,022,457</u>	<u>259,653</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 28 Share capital

	Group and company	
	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
750 Ordinary A shares of £1 each	750	750
50 Ordinary B shares of £1 each	50	50
50 Ordinary C shares of £1 each	50	50
50 Ordinary D shares of £1 each	50	50
50 Ordinary E shares of £1 each	50	50
50 Ordinary F shares of £1 each	50	50
	<u>1,000</u>	<u>1,000</u>

The share classes rank pari passu in all respects save that the dividends may be awarded to any class of share to the exclusion of some, or all other classes of shares and at varying dividend rates.

### 29 Reserves

#### Revaluation reserve

The revaluation reserve includes all previous revaluation gains and losses.

#### Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

### 30 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	6,612,729	3,039,002	4,261,621	2,978,542
Between two and five years	9,866,481	5,473,997	8,320,032	5,233,637
In over five years	10,208,118	9,061,992	10,208,118	7,988,792
	<u>26,687,328</u>	<u>17,574,991</u>	<u>22,789,771</u>	<u>16,200,971</u>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 31 Events after the reporting date

Mick George Recycling Limited, a wholly owned subsidiary of Mick George Limited was sold on 16 December 2019 to an unrelated company and subsequently renamed.

The Company entered into a new Facility Agreement with HSBC on 4 March 2020 under a two-year agreement with the option to extend for a further year. This refinanced the loans outstanding at that time and provided additional headroom to meet ongoing financing needs.

The Company's outstanding loans as at 30th September 2019 of £21.5m had been reduced by £7.5m before the new bank facility was renewed, largely as a result of the sale of the trade waste business in December 2019.

### 32 Related party transactions

#### Transactions with related parties

During the year Mick George Limited incurred cost totalling £nil (2018 - £1,154) on behalf of Houghton Hall Equestrian Centre, a company owned by Mr M E George, a director. These costs have been recharged to Houghton Hall Equestrian and Alpaca Centre Limited. At the year end £479,000 (2018 - £479,000) was due from Houghton Hall Equestrian Centre.

### 33 Directors' transactions

Included with other debtors are amounts receivable from/(to) directors as follows:-

	2019	2018
	£	£
Mr M E George	1,026,090	312,031
Mr G Craven	57,730	39,846
Mr J P Stump	97,761	(159,370)
Mr P D Newman	56,486	39,929
Mr N G Johnson	48,974	(11,794)
Mr M A George	1,675,662	154,161
	<u>2,962,703</u>	<u>374,803</u>

These balance arise from net advances to the directors during the year. There is no interest attributable to directors loan accounts. Amounts of £1.6m were repaid by the directors after the period end along with dividends of £730,000.

### 34 Controlling party

The company is controlled by Mr M E George, by virtue of his majority shareholdings.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 35 Restatements

#### Cash flow restatement

The prior year cash flow was restated to correctly recognise the true allocation between bank overdrafts and other loans. The reallocation resulted in an increase of £2,803,000 in bank overdrafts shown in the cash flow.

#### Note 6 - Employees

The aggregate remuneration included in the employees note was restated to correctly include all employment costs.

### 36 Cash generated from group operations

	2019 £	2018 £
Profit for the period after tax	11,557,482	6,625,231
<b>Adjustments for:</b>		
Taxation charged	2,384,680	1,492,837
Finance costs	2,919,178	1,702,944
Investment income	(571,328)	(1,005)
Loss on disposal of tangible fixed assets	591,916	491,000
Amortisation and impairment of intangible assets	(385,122)	241,000
Depreciation and impairment of tangible fixed assets	15,997,592	9,828,911
(Decrease)/increase in provisions	(495,304)	495,304
<b>Movements in working capital:</b>		
Increase in stocks	(892,823)	(2,173,131)
Increase in debtors	(5,776,667)	(7,842,929)
Increase in creditors	2,646,760	8,366,734
<b>Cash generated from operations</b>	<b>27,976,364</b>	<b>19,226,896</b>