

TUDOR GRIFFITHS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

TUDOR GRIFFITHS LIMITED

COMPANY INFORMATION

Directors	J T Griffiths W M Griffiths (resigned 5 February 2020) M E Griffiths (resigned 5 February 2020) J Seaward
Company secretary	J Seaward
Registered number	06557373
Registered office	Wood Lane Ellesmere Shropshire SY12 0HY
Independent auditors	WR Partners Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	Lloyds Bank plc 125 Colemore Row Birmingham B3 3SD
Solicitors	Aaron & Partners LLP Lakeside House Oxon Business Park Shrewsbury Shropshire SY3 5HJ

TUDOR GRIFFITHS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

INTRODUCTION

The Company operates as a regional supplier of ready mixed concrete and aggregates and also skip hire, commercial waste collection and recycling throughout Shropshire, Cheshire and mid and north Wales.

BUSINESS REVIEW

The year under review has been one of consolidation with turnover at just above £20.0M, down 2.0% on the prior year. Due to increased costs there has been a 14.9% reduction in net profit before tax to £806K.

During the year the company acquired a ready mixed concrete plant at Cemmaes Road, Powys from Hanson to expand our regional footprint.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's continued success is dependent largely upon the general state of the economy and in particular the construction sector. Costs are constantly monitored to ensure that we can supply a top level of service to our customer base in the most efficient way possible.

Should the economy take a sudden downturn in the future then we would have a significant credit risk. This is managed by implementing a strict credit policy both at head office and throughout all the sites.

The Directors continuously monitor the principal risks and manage the business with flexibility in response to market conditions and opportunities as they arise.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators used by the business include those relating to turnover, gross margin, operating profit, net current assets and net assets. These are monitored on a regular basis and any corrective action is taken as required.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

OTHER KEY PERFORMANCE INDICATORS

The Company uses a range of other key performance indicators to monitor and measure performance within the business on a regular basis.

This report was approved by the board and signed on its behalf.

.....
J T Griffiths
Director

Date: 7 December 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The Directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' 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 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £629,583 (2019 - £691,098).

No dividend was paid during the year (2019: £550,000).

Directors

The Directors who served during the year were:

J T Griffiths
W M Griffiths (resigned 5 February 2020)
M E Griffiths (resigned 5 February 2020)
J Seaward

Future developments

The company is continually looking for opportunities to expand to continue the path of steady growth.

TUDOR GRIFFITHS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Post balance sheet events

There are no significant post balance sheet events apart from the effect of Covid-19 on the UK economy. With construction continuing to operate during the pandemic we have continued to trade positively since the year end and are now optimistic about future trading with the recent announcements regarding the development of various vaccines.

Auditors

The auditors, WR Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
J T Griffiths

Director

Date: 7 December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUDOR GRIFFITHS LIMITED

Qualified opinion

We have audited the financial statements of Tudor Griffiths Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Due to restrictions in place during the nationwide lockdown imposed during the COVID-19 pandemic, we did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2020, which are included in the balance sheet at £607,026, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

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 Auditors' 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 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 qualified 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 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 Auditors' Report thereon. Our opinion

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUDOR GRIFFITHS LIMITED (CONTINUED)

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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £607,026 held at 31 March 2020. We have concluded that where the other information refers to the inventory balances such as cost of sales, it may be materially misstated for the same reason.

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 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 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

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Arising solely from the limitation of scope of our work relating to inventory referred to above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and we were unable to determine whether adequate accounting records have been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUDOR GRIFFITHS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Auditors' 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.

Andrew Malpass BA FCA (Senior Statutory Auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

22 December 2020

TUDOR GRIFFITHS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	5	20,048,233	20,465,619
Cost of sales		(8,322,918)	(8,678,320)
GROSS PROFIT		11,725,315	11,787,299
Distribution costs		(8,764,406)	(8,743,164)
Administrative expenses		(2,462,898)	(2,384,598)
Other operating income	6	284,372	308,329
Fair value movements		200,500	145,500
OPERATING PROFIT		982,883	1,113,366
Interest receivable and similar income	10	2,582	-
Interest payable and similar expenses	11	(178,642)	(164,889)
PROFIT BEFORE TAX		806,823	948,477
Tax on profit	12	(177,240)	(257,379)
PROFIT FOR THE FINANCIAL YEAR		629,583	691,098

The notes on pages 14 to 34 form part of these financial statements.

TUDOR GRIFFITHS LIMITED
REGISTERED NUMBER: 06557373

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	224,827	295,826
Tangible assets	15	11,920,824	11,031,560
Investments	16	33,726	36,810
Investment property	17	8,939,844	8,719,497
		<u>21,119,221</u>	<u>20,083,693</u>
CURRENT ASSETS			
Stocks	18	607,026	514,027
Debtors: amounts falling due within one year	19	5,536,888	4,465,532
Cash at bank and in hand	20	370	350
		<u>6,144,284</u>	<u>4,979,909</u>
Creditors: amounts falling due within one year	21	(6,618,489)	(6,602,895)
		<u>(474,205)</u>	<u>(1,622,986)</u>
NET CURRENT LIABILITIES			
		<u>20,645,016</u>	<u>18,460,707</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	22	(5,360,584)	(4,007,813)
PROVISIONS FOR LIABILITIES			
Deferred tax	25	(409,285)	(243,166)
Other provisions	26	(368,524)	(332,688)
		<u>(777,809)</u>	<u>(575,854)</u>
NET ASSETS			
		<u><u>14,506,623</u></u>	<u><u>13,877,040</u></u>

TUDOR GRIFFITHS LIMITED
REGISTERED NUMBER: 06557373

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
CAPITAL AND RESERVES			
Called up share capital	27	19	19
Revaluation reserve	28	5,456,137	5,456,137
Merger reserve	28	4,272,185	4,272,185
Profit and loss account	28	4,778,282	4,148,699
		<u>14,506,623</u>	<u>13,877,040</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
J T Griffiths
Director

Date: 7 December 2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	19	5,057,490	4,272,185	4,406,248	13,735,942
Profit for the year	-	-	-	691,098	691,098
Transfer revaluation and related deferred tax	-	398,647	-	(398,647)	-
Dividends: Equity capital	-	-	-	(550,000)	(550,000)
At 1 April 2019	19	5,456,137	4,272,185	4,148,699	13,877,040
Profit for the year	-	-	-	629,583	629,583
AT 31 MARCH 2020	19	5,456,137	4,272,185	4,778,282	14,506,623

The notes on pages 14 to 34 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	629,583	691,098
ADJUSTMENTS FOR:		
Amortisation of intangible assets	70,999	70,999
Depreciation of tangible assets	1,685,440	1,603,925
Loss on disposal of tangible assets	(153,808)	(28,703)
Interest paid	178,642	164,889
Interest received	(2,582)	-
Taxation charge	177,240	257,379
(Increase) in stocks	(92,999)	(141,127)
(Increase) in debtors	(1,071,356)	(63,163)
Increase in creditors	1,042,675	622,102
Increase in provisions	35,836	35,834
Net fair value (gains) recognised in P&L	(200,500)	(145,500)
Corporation tax (paid)	(244,500)	(241,721)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,054,670	2,826,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(2,845,246)	(1,638,431)
Sale of tangible fixed assets	424,351	297,002
Purchase of investment properties	(19,847)	-
Sale of investment properties	-	150,000
Purchase of unlisted and other investments	3,084	(16,916)
Interest received	2,582	-
HP interest paid	(118,326)	(100,789)
NET CASH FROM INVESTING ACTIVITIES	(2,553,402)	(1,309,134)

TUDOR GRIFFITHS LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(93,291)	(299,173)
Repayment of/new finance leases	850,421	(117,471)
Dividends paid	-	(550,000)
Interest paid	(60,316)	(64,100)
NET CASH USED IN FINANCING ACTIVITIES	696,814	(1,030,744)
INCREASE IN CASH AND CASH EQUIVALENTS	198,082	486,134
Cash and cash equivalents at beginning of year	(614,079)	(1,100,213)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	(415,997)	(614,079)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	370	350
Bank overdrafts	(416,367)	(614,429)
	(415,997)	(614,079)

The notes on pages 14 to 34 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. GENERAL INFORMATION

The principal activity of the Company is the manufacture of ready mixed concrete and waste management solutions. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Wood Lane, Ellesmere, Shropshire, SY12 0HY.

2. Summary of significant accounting policies and key accounting estimates

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 years presented, unless otherwise stated.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. ACCOUNTING POLICIES (CONTINUED)

3.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company will receive the consideration due under the transaction; and
- the costs 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 Company 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.

3.3 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

3.4 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES (CONTINUED)

3.5 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

3.6 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.7 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.8 PENSIONS

Defined contribution pension plan

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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

3.9 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES (CONTINUED)

3.10 GOING CONCERN

The Directors confirm that the Company is expected to continue to be profitable in future years and are satisfied that it will be able to meet its liabilities as they fall due for the foreseeable future. The accounts therefore have been prepared on a going concern basis. It is recognised that the Company is reliant upon its bank overdraft to continue operating.

The Directors have also assessed the potential impact on the future operations of the Company with regard to the Covid-19 outbreak. The Company is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

3.11 INTANGIBLE 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 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 Statement of Comprehensive Income 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 a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

3.12 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. ACCOUNTING POLICIES (CONTINUED)

3.12 TANGIBLE FIXED ASSETS (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Landfill site	-	12.5%	straight line
Long-term leasehold property	-	5.0%	straight line
Plant and machinery	-	20.0%	reducing balance
Motor vehicles	-	25.0%	reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

3.13 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by the Directors 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. Changes in fair value are recognised in the Statement of comprehensive income.

3.14 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

3.15 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

3.16 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. ACCOUNTING POLICIES (CONTINUED)

3.17 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

3.18 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.19 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3.20 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. ACCOUNTING POLICIES (CONTINUED)

3.20 FINANCIAL INSTRUMENTS (continued)

for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3.21 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

4.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and others factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, will by definition, seldom equal the related actual results.

In the opinion of the Directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. TURNOVER

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

	2020 £	2019 £
Concrete and Aggregate Sales	13,794,604	14,666,593
Waste Disposal	3,450,656	3,403,510
Skip Hire	1,815,082	1,485,834
Electrical Services	458,495	379,200
Renewable Heat Incentive	529,395	530,482
	<u>20,048,232</u>	<u>20,465,619</u>

All turnover arose within the United Kingdom.

6. OTHER OPERATING INCOME

	2020 £	2019 £
Other operating income	284,372	308,329
	<u>284,372</u>	<u>308,329</u>

7. AUDITORS' REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,075</u>	<u>8,840</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. EMPLOYEES

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

	2020 £	2019 £
Wages and salaries	4,073,072	4,029,709
Social security costs	398,183	390,402
Cost of defined contribution scheme	170,230	155,747
	<u>4,641,485</u>	<u>4,575,858</u>

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

	2020 No.	2019 No.
Employees	<u>134</u>	<u>135</u>

9. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	351,769	322,347
	<u>351,769</u>	<u>322,347</u>

During the year retirement benefits were accruing to 2 Directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £115,774 (2019 - £116,208).

10. INTEREST RECEIVABLE

	2020 £	2019 £
Other interest receivable	2,582	-
	<u>2,582</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest payable	60,316	<i>64,100</i>
Finance leases and hire purchase contracts	118,326	<i>100,789</i>
	<u>178,642</u>	<u><i>164,889</i></u>

12. TAXATION

	2020	2019
	£	£
CORPORATION TAX		
Current tax on profits for the year	-	<i>241,463</i>
Adjustments in respect of previous periods	11,121	<i>(13,811)</i>
	<u>11,121</u>	<u><i>227,652</i></u>
DEFERRED TAX		
Origination and reversal of timing differences	137,512	<i>29,727</i>
Effect of tax rate change on opening balance	28,607	<i>-</i>
	<u>166,119</u>	<u><i>29,727</i></u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>177,240</u>	<u><i>257,379</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

12. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>806,823</u>	<u>948,477</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	153,296	180,211
EFFECTS OF:		
Fixed asset differences	24,251	40,521
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,609	27,209
Adjustments to tax charge in respect of prior periods	11,121	(13,811)
Non-taxable income	(8,427)	(9,144)
Adjustment to closing deferred taxation rate	28,608	-
Other differences leading to an increase (decrease) in the tax charge	(36,218)	32,393
TOTAL TAX CHARGE FOR THE YEAR	<u><u>177,240</u></u>	<u><u>257,379</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At the Spring Budget 2020, the government announced that the rate of Corporation Tax would remain at 19% for periods commencing 1 April 2020.

13. DIVIDENDS

	2020 £	2019 £
Dividends paid in the year	-	550,000
	<u><u>-</u></u>	<u><u>550,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 April 2019	709,985
	<hr/>
At 31 March 2020	709,985
	<hr/>
AMORTISATION	
At 1 April 2019	414,159
Charge for the year on owned assets	70,999
	<hr/>
At 31 March 2020	485,158
	<hr/>
NET BOOK VALUE	
At 31 March 2020	<u>224,827</u>
<i>At 31 March 2019</i>	<u>295,826</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 April 2019	6,684,684	362,347	12,141,288	6,539,507	25,727,826
Additions	188,111	-	1,460,181	1,196,954	2,845,246
Disposals	-	-	(988,100)	(165,500)	(1,153,600)
At 31 March 2020	6,872,795	362,347	12,613,369	7,570,961	27,419,472
DEPRECIATION					
At 1 April 2019	2,310,928	304,714	7,513,489	4,567,133	14,696,264
Charge for the year on owned assets	120,813	2,957	896,420	665,251	1,685,441
Disposals	-	-	(741,440)	(141,617)	(883,057)
At 31 March 2020	2,431,741	307,671	7,668,469	5,090,767	15,498,648
NET BOOK VALUE					
At 31 March 2020	4,441,054	54,676	4,944,900	2,480,194	11,920,824
At 31 March 2019	4,373,755	57,633	4,627,798	1,972,374	11,031,560

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	4,441,053	4,373,755
Long leasehold	54,676	57,632
	4,495,729	4,431,387

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 April 2019	36,810
Additions	(3,084)
	<hr/>
At 31 March 2020	<u>33,726</u>

17. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2019	8,719,497
Additions at cost	19,847
Surplus on revaluation	200,500
	<hr/>
AT 31 MARCH 2020	<u>8,939,844</u>

The 2020 valuations were made by the Directors, on an open market value for existing use basis.

18. STOCKS

	2020 £	2019 £
Finished goods and goods for resale	<u>607,026</u>	<u>514,027</u>

Stock recognised in cost of sales as an expense was £7,232,706 (2019: £7,657,218).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

19. DEBTORS

	2020 £	2019 £
Trade debtors	2,716,402	3,125,640
Other debtors	2,741,420	1,256,912
Prepayments and accrued income	79,066	82,980
	<u>5,536,888</u>	<u>4,465,532</u>

20. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	370	350
Less: bank overdrafts	(416,367)	(614,429)
	<u>(415,997)</u>	<u>(614,079)</u>

21. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	416,367	614,429
Bank loans	357,992	292,081
Trade creditors	2,804,588	2,810,564
Corporation tax	-	233,379
Other taxation and social security	373,708	430,297
Obligations under finance lease and hire purchase contracts	1,372,798	1,110,617
Other creditors	750,000	500,000
Accruals and deferred income	543,036	611,528
	<u>6,618,489</u>	<u>6,602,895</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

22. CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	999,516	1,158,719
Net obligations under finance leases and hire purchase contracts	3,361,068	2,772,828
Other creditors	1,000,000	76,266
	<u>5,360,584</u>	<u>4,007,813</u>

Debenture containing fixed and floating charges over all property as well as assets of the Company.

The mortgage is secured by fixed and floating charges over commercial freehold land at Cockshut near Ellesmere.

The mortgage is secured by fixed and floating charges over commercial freehold property at Aston Hall, Oswestry.

Obligations under finance lease & hire purchase arrangements are secured against the fixed assets to which they relate.

23. LOANS

Analysis of the maturity of loans is given below:

	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	357,992	292,081
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	632,608	598,727
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	366,908	559,992

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

24. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	1,372,798	1,110,617
Between 1-5 years	3,361,068	2,772,827
	<u>4,733,866</u>	<u>3,883,444</u>

25. DEFERRED TAXATION

	2020 £
At beginning of year	(243,166)
Charged to the profit or loss	(166,119)
AT END OF YEAR	<u>(409,285)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(409,285)	(243,166)
	<u>(409,285)</u>	<u>(243,166)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

26. PROVISIONS

	FillSecure £
At 1 April 2019	332,688
Charged to profit or loss	35,836
AT 31 MARCH 2020	<u>368,524</u>

The FillSecure provision relates to an agreement with the Environment Agency whereby monies are put into trust to repair the site after the landfill is closed. Over the course of less than 21 years agreement, the costs of dilapidation will be written off to the Statement of Comprehensive Income and at the end of the 21 years the provision will offset the investment in the trust.

27. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
16 (2019 - 16) Ordinary shares of £1.00000 each	16	16
3 (2019 - 3) Ordinary A shares of £1.00000 each	3	3
	<u>19</u>	<u>19</u>

28. RESERVES**Revaluation reserve**

The revaluation reserve represents the net of cumulative revaluation gains/losses on revalued investment property.

Merger Reserve

The merger reserve arose on a capital restructuring of the business.

29. CONTINGENT LIABILITIES

T G Builders Merchants Ltd, Tudor Griffiths Limited, Ellesmere Sand & Gravel Co. Limited and Frankton Barns Limited (all companies with common ownership) are party to an omnibus guarantee & set off arrangement with Lloyds PLC, subject to an interest rate charge of 2 percentage points per annum above the Bank's base rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

30. CAPITAL COMMITMENTS

At 31 March 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	450,000
	<u>-</u>	<u>450,000</u>

31. PENSION COMMITMENTS

Defined Contribution Scheme

The Company operates defined contribution pension schemes for the staff of the Company. The assets of the schemes are held separately from those of the Company in independently administered funds.

The pension cost charge represents contributions payable by the Company to the funds and amounted to £170,230 (2019: £155,747).

32. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Land & Buildings		
Not later than 1 year	58,000	58,000
Later than 1 year and not later than 5 years	90,000	123,000
Later than 5 years	219,375	249,375
	<u>367,375</u>	<u>430,375</u>
Other		
Not later than 1 year	9,900	9,300
Later than 1 year and not later than 5 years	2,475	12,395
	<u>12,375</u>	<u>21,695</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

33. RELATED PARTY TRANSACTIONS

The below are a list of related parties and all transactions made with each during the year:

T G Builders Merchants Limited - a company with which Mr J T Griffiths has common directorship.

Powys Ready Mix Concretes Company Limited - a company with which Mr J T Griffiths has common directorship.

Ellesmere Sand & Gravel Co Limited - a company with which Mr J T Griffiths has common directorship.

Portmadog Concrete Limited - a company with which Mr J T Griffiths has common directorship.

T G Concrete Bridgnorth Limited - a company which Tudor Griffiths Limited owns 50% of the issued share capital.

W M Griffiths Farms - a partnership with which M J T Griffiths has common control.

Mrs M E W Griffiths - Director

Mr W M Griffiths - Director

Mr J T Griffiths - Director

Mrs J M Griffiths - Daughter of Mr W M Griffiths and Mrs M E Griffiths, directors

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

33. RELATED PARTY TRANSACTIONS (CONTINUED)

	2020 Sales/ (Purchases) £	2020 Debtor/ (Creditor) £	2019 Sales/ (Purchases) £	2019 Debtor/ (Creditor) £
Sales / Debtor				
T G Builders Mechants Ltd	2,746,330	125,855	2,697,712	155,698
Powys Ready Mixed Concrete Company Ltd	1,585,914	(6,171)	1,907,445	107,632
Ellesmere Sand & Gravel Co Ltd	689,659	149,004	410,671	(3,768)
Porthmadog Concrete Ltd	13,145	3,000	14,915	2,000
W M Griffiths Farms	120,183	183	120,000	-
Loan made to M Sleigh	3,078	63,710	2,821	60,632
Rent received from Mr W M Griffiths	35,500	-	34,500	-
Rent recieved from Mr J T Griffiths	22,200	-	21,600	-
T G Concrete Bridgnorth Ltd	-	660,060	-	4,350
Purchases / Creditor				
T G Builders Mechants Ltd	(128,951)	(2,900)	(54,128)	(19,377)
Ellesmere Sand & Gravel Co Ltd	(864,780)	(453,452)	(1,013,853)	(542,690)
Porthmadog Concrete Ltd	(5,598)	(672)	(8,752)	(624)
Loan to/(from) Mr W M Griffiths	-	363,838	-	(63,842)
Loan to/(from) Mr J T Griffiths	-	121,793	-	(12,424)
Loan to/(from) Mrs M E W Griffiths	-	241,083	-	121,360
Loan to/(from) Mrs J M Griffiths	-	36,646	-	2,311
T G Builders Merchants Limited	-	(1,500,000)	-	(500,000)
Loans due to other connected parties	-	(250,000)	-	-

34. CONTROLLING PARTY

The Company is under the control of Mr J T Griffiths, Director.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.