

BULLIMORES SAND AND GRAVEL LIMITED

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Report of the Independent Auditors	6 to 9
Income Statement	10
Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 24

BULLIMORES SAND AND GRAVEL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2021**

DIRECTORS: C N P Bullimore
N S J Q Bullimore

SECRETARY: P A Marshall

REGISTERED OFFICE: Thistleton Lane
South Witham
Grantham
Lincolnshire
NG33 5QE

REGISTERED NUMBER: 00627117 (England and Wales)

SENIOR STATUTORY AUDITOR: Michael Argyle BSc ACA

AUDITORS: Duncan & Toplis Limited, Statutory Auditor
3 Castlegate
Grantham
Lincolnshire
NG31 6SF

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their strategic report for the year ended 31 May 2021.

The directors aim to present a balanced and comprehensive review of the business development and performance during the year and its position at the year end. The review is consistent with the size and the non-complex nature of the company and is written in the context of the risks and uncertainties faced.

REVIEW OF BUSINESS

The results of the company for the year show a profit on ordinary activities before taxation of £1,555,403 (2020 - £853,590). Total shareholders' funds increased to £16,342,671 as at 31 May 2021 (2020 - £15,188,706). Revenue has increased for the year to 31 May 2021 to £14,186,958 compared to the year to 31 May 2020 of £13,489,040. The directors are satisfied with the overall performance in the current economic climate.

DEVELOPMENT AND PERFORMANCE

The company continues to review the market place it operates within and places effort in areas with the most potential and where it can expect to maximise its returns through strong management and leadership, whilst constantly reviewing its performance and opportunities. The company continues to explore avenues to expand its existing business and other opportunities as they arise.

KEY PERFORMANCE INDICATORS

The directors consider the key performance indicators to be revenue, gross profit and profit on ordinary activities before taxation.

Key highlights for the company as a whole for the 5 year period to 31 May 2021 are:

	2021	2020	2019	2018	2017
Revenue:					
Limestone	2,870,635	2,794,353	2,715,123	2,190,771	2,238,521
Transport	2,909,929	2,779,208	3,395,075	2,895,706	2,102,150
Plant hire	4,516,781	4,265,792	4,519,157	4,521,758	4,310,220
Merchanting	3,889,613	3,649,687	4,742,346	3,597,731	2,428,724
	<u>14,186,958</u>	<u>13,489,040</u>	<u>15,371,701</u>	<u>13,205,966</u>	<u>11,079,615</u>
Revenue growth / (decline)	5.2%	(12.2%)	16.4%	19.2%	24.6%
Gross profit margin	21.8%	18.3%	21.0%	21.7%	23.5%
Profit / (loss) before taxation	1,555,403	853,590	£1,601,269	£1,409,036	£1,022,985

We have had another satisfactory year, low margins continue to challenge us and current trading has improved from prior year.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The main short term threat is the uncertainty surrounding Covid-19 and any potential effect it will have on the construction industry.

The company's operations and assets are well diversified and as such the levels of operational and other risks are considered by the directors to be acceptable. The company does not have any material exposure to any high risk markets or geographical areas.

The company's exposure to liquidity risk is managed by the close monitoring of funds held on accounts and debtor and creditor balances by ensuring sufficient liquidity is available to meet foreseeable needs.

ON BEHALF OF THE BOARD:

C N P Bullimore - Director

21 December 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their report with the financial statements of the company for the year ended 31 May 2021.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of operating sand, gravel and limestone quarries, plant and skip hire and waste recycling and disposal.

DIVIDENDS

An interim dividend of £111,690 (2020 - £nil) was paid during the year. The directors do not recommend payment of a final dividend.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

C N P Bullimore
N S J Q Bullimore

ENVIRONMENT

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

C N P Bullimore - Director

21 December 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BULLIMORES SAND AND GRAVEL LIMITED

Opinion

We have audited the financial statements of Bullimores Sand and Gravel Limited (the 'company') for the year ended 31 May 2021 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 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 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 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 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

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BULLIMORES SAND AND GRAVEL LIMITED

Matters on which we are required to report by exception

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 Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BULLIMORES SAND AND GRAVEL LIMITED

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit. The potential impact of different laws and regulations varies considerably.

Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as depreciation policies. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates, reperforming the calculation and reviewing the outcome of prior year estimates.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection. This inspection included a review of legal and professional fees for evidence of non-compliance, in addition to an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BULLIMORES SAND AND GRAVEL LIMITED**

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 a Report of the Auditors 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.

Michael Argyle BSc ACA (Senior Statutory Auditor)
for and on behalf of Duncan & Topliss Limited, Statutory Auditor
3 Castlegate
Grantham
Lincolnshire
NG31 6SF

21 December 2021

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2021**

	Notes	2021 £	£	2020 £	£
REVENUE	3		14,186,958		13,489,040
Cost of sales			11,090,755		11,026,854
GROSS PROFIT			3,096,203		2,462,186
Administrative expenses			1,551,947		1,715,994
			1,544,256		746,192
Other operating income			346		83,536
OPERATING PROFIT	5		1,544,602		829,728
Income from fixed asset investments		91		91	
Interest receivable and similar income	6	10,710		23,771	
			10,801		23,862
PROFIT BEFORE TAXATION			1,555,403		853,590
Tax on profit	7		289,748		251,089
PROFIT FOR THE FINANCIAL YEAR			1,265,655		602,501

The notes form part of these financial statements

BULLIMORES SAND AND GRAVEL LIMITED (REGISTERED NUMBER: 00627117)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		1,265,655	602,501
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,265,655</u>	<u>602,501</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MAY 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Property, plant and equipment	9		9,212,510		10,579,087
Investments	10		<u>55</u>		<u>55</u>
			9,212,565		10,579,142
CURRENT ASSETS					
Inventories	11	66,647		62,014	
Debtors	12	3,352,537		2,401,558	
Cash at bank		<u>7,260,299</u>		<u>4,842,149</u>	
		10,679,483		7,305,721	
CREDITORS					
Amounts falling due within one year	13	<u>2,803,504</u>		<u>2,043,061</u>	
NET CURRENT ASSETS			<u>7,875,979</u>		<u>5,262,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,088,544		15,841,802
PROVISIONS FOR LIABILITIES	16		<u>745,873</u>		<u>653,096</u>
NET ASSETS			<u>16,342,671</u>		<u>15,188,706</u>
CAPITAL AND RESERVES					
Called up share capital	17		1,241		1,241
Capital redemption reserve			262		262
Retained earnings			<u>16,341,168</u>		<u>15,187,203</u>
SHAREHOLDERS' FUNDS			<u>16,342,671</u>		<u>15,188,706</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2021 and were signed on its behalf by:

C N P Bullimore - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 June 2019	1,241	14,584,702	262	14,586,205
Changes in equity				
Total comprehensive income	-	602,501	-	602,501
Balance at 31 May 2020	1,241	15,187,203	262	15,188,706
Changes in equity				
Dividends	-	(111,690)	-	(111,690)
Total comprehensive income	-	1,265,655	-	1,265,655
Balance at 31 May 2021	1,241	16,341,168	262	16,342,671

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	3,382,877	3,807,372
Tax paid		<u>(147,993)</u>	<u>(231,024)</u>
Net cash from operating activities		<u>3,234,884</u>	<u>3,576,348</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,649,523)	(1,857,836)
Sale of tangible fixed assets		933,678	633,857
Interest received		10,710	23,771
Dividends received		<u>91</u>	<u>91</u>
Net cash from investing activities		<u>(705,044)</u>	<u>(1,200,117)</u>
Cash flows from financing activities			
Government grants		-	82,618
Equity dividends paid		<u>(111,690)</u>	<u>-</u>
Net cash from financing activities		<u>(111,690)</u>	<u>82,618</u>
Increase in cash and cash equivalents		<u>2,418,150</u>	<u>2,458,849</u>
Cash and cash equivalents at beginning of year	2	4,842,149	2,383,300
Cash and cash equivalents at end of year	2	<u>7,260,299</u>	<u>4,842,149</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	1,555,403	853,590
Depreciation charges	2,570,201	2,745,148
Profit on disposal of fixed assets	(487,779)	(389,879)
Government grants	-	(82,618)
Finance income	(10,801)	(23,862)
	<u>3,627,024</u>	<u>3,102,379</u>
Increase in inventories	(4,633)	(35,935)
(Increase)/decrease in trade and other debtors	(950,979)	1,211,639
Increase/(decrease) in trade and other creditors	<u>711,465</u>	<u>(470,711)</u>
Cash generated from operations	<u><u>3,382,877</u></u>	<u><u>3,807,372</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 May 2021

	31.5.21	1.6.20
	£	£
Cash and cash equivalents	<u>7,260,299</u>	<u>4,842,149</u>

Year ended 31 May 2020

	31.5.20	1.6.19
	£	£
Cash and cash equivalents	<u>4,842,149</u>	<u>2,383,300</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.6.20	Cash flow	At 31.5.21
	£	£	£
Net cash			
Cash at bank	<u>4,842,149</u>	<u>2,418,150</u>	<u>7,260,299</u>
	<u>4,842,149</u>	<u>2,418,150</u>	<u>7,260,299</u>
Total	<u><u>4,842,149</u></u>	<u><u>2,418,150</u></u>	<u><u>7,260,299</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. GENERAL INFORMATION

Bullimores Sand and Gravel Limited is a limited company incorporated in England and Wales. The address of the registered office is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the directors on page four.

The presentation currency of the financial statements is the Pound Sterling (£).

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

i) Depreciation

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of property, plant and equipment.

Revenue

Revenue represents amounts charged to customers for goods and services provided during the year, excluding value added tax and trade discounts.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less depreciation. Depreciation is not charged on freehold land except for mineral bearing land. Depreciation on other property, plant and equipment is provided at the rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	- nil to 50 years on cost
Freehold buildings	- 10 to 50 years on cost
Plant and machinery, fixtures, fittings and office equipment, motor vehicles and loaders	- 2 to 10 years on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

2. ACCOUNTING POLICIES - continued

Inventories

Inventories are valued at the lower of cost and fair value less costs to complete and sell. Inventories are accounted for on a first-in-first-out basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Operating lease commitments

Rentals paid under operating leases are charged to the income statement as incurred.

Pension costs and other post-retirement benefits

The company operates defined contribution pension schemes where contributions are made to external pension schemes to provide for retirement benefits and are charged to the income statement as incurred.

Revenue recognition

Revenue is recognised on plant and skip hire upon return of the asset or at the end of the month where the asset is out on hire.

Revenue is recognised on aggregate and quarry sales upon delivery.

Investments

Fixed assets investments are stated at fair value.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Basic financial liabilities, including trade and other creditors, 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 receipts discounted at a market rate of interest.

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. Accounts 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.

3. REVENUE

The revenue and profit before taxation are attributable to the principal activities of the company.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,901,034	2,040,267
Social security costs	175,572	192,653
Other pension costs	134,499	141,747
	<u>2,211,105</u>	<u>2,374,667</u>

The average number of employees during the year was as follows:

	2021	2020
Management and administration	15	17
Production	41	46
Sales	6	6
	<u>62</u>	<u>69</u>

	2021	2020
	£	£
Directors' remuneration	<u>135,373</u>	<u>170,779</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

4. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

5. OPERATING PROFIT

	2021 £	2020 £
The operating profit is stated after charging/(crediting):		
Hire of plant and machinery	158,563	153,586
Depreciation - owned assets	2,570,201	2,745,148
Profit on disposal of fixed assets	(487,779)	(389,879)
Auditors' remuneration - audit of the financial statements	11,250	10,200
- other services	13,200	10,615
Operating lease payments - land and buildings	<u>515,353</u>	<u>505,176</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Bank interest	<u>10,710</u>	<u>23,771</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	196,971	147,993
Deferred tax	<u>92,777</u>	<u>103,096</u>
Tax on profit	<u>289,748</u>	<u>251,089</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>1,555,403</u>	<u>853,590</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	295,527	162,182
Effects of:		
Expenses not deductible for tax purposes	2,611	9,919
Income not taxable for tax purposes	(17)	(17)
Capital allowances in excess of depreciation	(8,373)	-
Depreciation in excess of capital allowances	-	10,218
Adjustment for change in tax rate	-	68,787
Total tax charge	<u>289,748</u>	<u>251,089</u>

8. DIVIDENDS

	2021 £	2020 £
'A' Ordinary shares of 50p each Interim	55,800	-
'B' Ordinary shares of 50p each Interim	<u>55,890</u>	<u>-</u>
	<u>111,690</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 June 2020	1,148,893	341,085	16,516,287
Additions	-	-	1,487,977
Disposals	-	-	(1,605,597)
At 31 May 2021	1,148,893	341,085	16,398,667
DEPRECIATION			
At 1 June 2020	694,377	307,777	8,018,102
Charge for year	25,847	31,623	2,106,371
Eliminated on disposal	-	-	(1,191,258)
At 31 May 2021	720,224	339,400	8,933,215
NET BOOK VALUE			
At 31 May 2021	428,669	1,685	7,465,452
At 31 May 2020	454,516	33,308	8,498,185

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 June 2020	220,994	3,410,872	21,638,131
Additions	3,296	158,250	1,649,523
Disposals	-	(253,408)	(1,859,005)
At 31 May 2021	224,290	3,315,714	21,428,649
DEPRECIATION			
At 1 June 2020	109,699	1,929,089	11,059,044
Charge for year	26,363	379,997	2,570,201
Eliminated on disposal	-	(221,848)	(1,413,106)
At 31 May 2021	136,062	2,087,238	12,216,139
NET BOOK VALUE			
At 31 May 2021	88,228	1,228,476	9,212,510
At 31 May 2020	111,295	1,481,783	10,579,087

Included in cost of land and buildings is freehold land of £ 40,050 (2020 - £ 40,050) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

10. FIXED ASSET INVESTMENTS

	Listed investments £
COST	
At 1 June 2020	
and 31 May 2021	<u>363</u>
PROVISIONS	
At 1 June 2020	
and 31 May 2021	<u>308</u>
NET BOOK VALUE	
At 31 May 2021	<u>55</u>
At 31 May 2020	<u>55</u>

The market value of the investments at the financial reporting date was £11,460 (2020 - £5,360).

11. INVENTORIES

	2021 £	2020 £
Consumables and finished goods	<u>66,647</u>	<u>62,014</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	3,158,430	2,149,233
Other debtors	3,880	3,665
Prepayments and accrued income	<u>190,227</u>	<u>248,660</u>
	<u>3,352,537</u>	<u>2,401,558</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,732,279	884,580
Corporation tax	196,982	148,004
Other taxes and social security	588,645	790,895
Accruals and deferred income	<u>285,598</u>	<u>219,582</u>
	<u>2,803,504</u>	<u>2,043,061</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	53,200	27,700
Between one and five years	<u>114,295</u>	<u>59,360</u>
	<u>167,495</u>	<u>87,060</u>

15. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2021 £	2020 £
Financial assets that are debt instruments measured at fair value through profit and loss		
Fixed asset investment	55	55
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	3,158,430	2,149,233
Other debtors	3,880	3,665
Financial liabilities measured at amortised cost		
Trade creditors	1,732,279	884,580

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2020 - £nil) and £nil (2020 - £nil) respectively.

16. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax		
Accelerated capital allowances	<u>745,873</u>	<u>653,096</u>
		Deferred tax
		£
Balance at 1 June 2020		653,096
Movement in year		<u>92,777</u>
Balance at 31 May 2021		<u>745,873</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1,240	'A' Ordinary	50p	620	620
1,242	'B' Ordinary	50p	621	621
			<u>1,241</u>	<u>1,241</u>

Each class of share capital holds equal voting rights.

18. RELATED PARTY DISCLOSURES

During the year the company paid royalties in respect of mineral rights amounting to £35,324 (2020 - £48,288) and dividends amounting to £22,500 (2020 - £nil) to close family members of key management personnel.

The company paid rent of £53,061 (2020 - £50,500) to a pension scheme of which two of the key management personnel are the sole members.

Key management personnel compensation

During the year the company paid dividends of £89,190 (2020 - £nil) to key management personnel.

Key management personnel compensation in the year totalled £151,425 (2020 - £193,007).

19. EVENTS SINCE THE YEAR END

A dividend of £75.00 per share (totalling £186,150) was declared on 12 July 2021. These financial statements do not reflect the dividends payable, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the year ended 31 May 2022.

20. ULTIMATE CONTROLLING PARTY

The company is controlled by its directors, C N P Bullimore and N S J Q Bullimore.

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.