

Registered number: 01233082

**W. & M. Thompson (Quarries) Limited**

Annual report

31 March 2022

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## W. & M. Thompson (Quarries) Limited

### Company information

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<b>Directors</b>	J Thompson H M Hillary F W Hurst (resigned 30 September 2021) R M Molloy
<b>Company secretary</b>	H M Hillary
<b>Registered number</b>	01233082
<b>Registered office</b>	Princess Way Prudhoe Northumberland NE42 6PL
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Barclays Bank PLC 5 St Ann's Street Quayside Newcastle upon Tyne NE1 3DX
<b>Solicitors</b>	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB

# W. & M. Thompson (Quarries) Limited

## Contents

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	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report to the members of W. & M. Thompson (Quarries) Limited	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 25

# **W. & M. Thompson (Quarries) Limited**

**Strategic report**  
**Year ended 31 March 2022**

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## **Introduction**

W. & M. Thompson (Quarries) Limited ('the company') is a wholly owned subsidiary of Thompsons of Prudhoe Holding Limited. The principal activities of the business continue to be that of quarry and landfill site operators based in the North of England.

## **Business review**

The company is reporting profit before tax of £386,029 (2021: £390,692).

The directors have considered the performance of the business during the financial year and are content with the result given the impact of the COVID-19 global pandemic and the inflationary costs in the year.

The cash position of the company is supported by a bank overdraft facility provided to the Thompsons Group of Companies. At the year end, the cash position of the company was £1,634,555 (2021: £1,973,906).

## **Key performance indicators**

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

- Revenue growth - 16% (2021: (7)%)
- Gross profit margin - 20% (2021: 20%)
- Net assets - £6,325,869 (2021: £6,381,068)

The balance sheet position, including the financing facilities and cash resources available, is considered adequate for the needs of the company in the foreseeable future.

## **Principal risks and uncertainties**

The company operates in a highly competitive market which is a continuing risk to the company and could result in it losing sales to key competitors. In order to maintain its market share and minimise the risk of market penetration from competitors, the company prides itself in the efficient service it provides to customers. This is delivered by a loyal and experienced workforce.

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

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

## **W. & M. Thompson (Quarries) Limited**

**Strategic report (continued)**  
**Year ended 31 March 2022**

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### **Environment**

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

### **Future developments**

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

This report was approved by the board on 30 November 2022 and signed on its behalf by:

**J Thompson**  
Director



# W. & M. Thompson (Quarries) Limited

## Directors' report Year ended 31 March 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

### Results and dividends

The loss for the year, after taxation, amounted to £55,199 (2021 - profit £305,843).

The directors do not recommend a final dividend (2021: £nil).

### Directors

The directors who served during the year were:

J Thompson  
H M Hillary  
F W Hurst (resigned 30 September 2021)  
R M Molloy

### Matters covered in the strategic report

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

### Disclosure of information to auditor

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

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

### Post balance sheet events

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

### Auditor

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

This report was approved by the board on 30 November 2022 and signed on its behalf by:

  
J Thompson  
Director

## **W. & M. Thompson (Quarries) Limited**

### **Directors' responsibilities statement Year ended 31 March 2022**

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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 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.



## **Independent auditor's report to the members of W. & M. Thompson (Quarries) Limited**

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### **Opinion**

We have audited the financial statements of W. & M. Thompson (Quarries) Limited ('the company') for the year ended 31 March 2022, which comprise the statement of comprehensive income, the balance sheet, 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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 '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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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





## **Independent auditor's report to the members of W. & M. Thompson (Quarries) Limited (continued)**

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### **Other information**

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

We have nothing to report in this regard.

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

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

- the information given in the 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**

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.

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

- adequate accounting records have not been kept, 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 directors' responsibilities statement set out on page 4, 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.



## **Independent auditor's report to the members of W. & M. Thompson (Quarries) Limited (continued)**

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

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

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

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

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

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

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

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



## **Independent auditor's report to the members of W. & M. Thompson (Quarries) Limited (continued)**

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### **Use of our report**

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

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

30 November 2022

## W. & M. Thompson (Quarries) Limited

### Statement of comprehensive income Year ended 31 March 2022

	Note	2022 £	2021 £
<b>Profit and loss account</b>			
Turnover	4	12,073,650	10,415,684
Cost of sales		(9,682,271)	(8,301,251)
<b>Gross profit</b>		<b>2,391,379</b>	<b>2,114,433</b>
Distribution costs		(43,624)	(48,241)
Administrative expenses		(1,929,482)	(1,733,326)
Other operating income	5	-	68,244
<b>Operating profit</b>	6	<b>418,273</b>	<b>401,110</b>
Interest payable and similar charges	10	(32,244)	(10,418)
<b>Profit on ordinary activities before taxation</b>		<b>386,029</b>	<b>390,692</b>
Tax on profit on ordinary activities	11	(441,228)	(84,849)
<b>(Loss)/profit for the financial year</b>		<b>(55,199)</b>	<b>305,843</b>

There was no other comprehensive income for 2022 or 2021.

The notes on pages 12 to 25 form part of these financial statements.

# W. & M. Thompson (Quarries) Limited

Balance sheet  
At 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	6,414,934	5,444,544
Fixed Asset Investments	13		
<b>Current assets</b>			
Stocks	14	293,861	209,359
Debtors	15	3,978,794	4,017,752
Cash at bank and in hand		1,634,555	1,973,906
		<u>5,907,210</u>	<u>6,201,017</u>
Creditors: amounts falling due within one year	16	(4,291,173)	(4,611,460)
<b>Net current assets</b>		<u>1,616,037</u>	<u>1,589,557</u>
<b>Total assets less current liabilities</b>		<u>8,030,971</u>	<u>7,034,101</u>
Creditors: amounts falling due after more than one year	17	(945,798)	(298,960)
<b>Provisions for liabilities</b>			
Deferred tax	19	(675,243)	(264,147)
Other provisions	20	(84,061)	(89,926)
		<u>(759,304)</u>	<u>(354,073)</u>
<b>Net assets</b>		<u><u>6,325,869</u></u>	<u><u>6,381,068</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,000	1,000
Profit and loss account	22	6,324,869	6,380,068
		<u><u>6,325,869</u></u>	<u><u>6,381,068</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2022.

**J Thompson**  
Director

Company registered number: 01223082

The notes on pages 12 to 25 form part of these financial statements.

## W. & M. Thompson (Quarries) Limited

### Statement of changes in equity Year ended 31 March 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2020	1,000	6,074,225	6,075,225
Profit for the year	-	305,843	305,843
Total comprehensive income for the year	-	305,843	305,843
At 1 April 2021	1,000	6,380,068	6,381,068
Loss for the year	-	(55,199)	(55,199)
Total comprehensive income for the year	-	(55,199)	(55,199)
At 31 March 2022	1,000	6,324,869	6,325,869

The notes on pages 12 to 25 form part of these financial statements.

# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

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### 1. General information and statement of compliance

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

#### **Statement of compliance**

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

### 2. Accounting policies

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

#### 2.1 Basis of preparation

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the basis that it is itself a subsidiary undertaking and is included in the consolidated financial statements of its parent undertaking, Thompsons of Prudhoe Holding Limited, which are publicly available.

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

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

#### 2.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity and has taken advantage of the exemptions relating to the disclosure of key management personnel compensation and the preparation of a cash flow statement. The consolidated financial statements of Thompsons of Prudhoe Holding Limited include the equivalent disclosures and a consolidated cash flow statement.

# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The company meets its working capital requirements through its operating cash flows supported by intercompany loans.

The financial forecasts prepared and post year end trading performance indicate that the company will maintain sufficient financial headroom to enable it to continue meeting its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements. Notwithstanding any further potential ongoing impact on the company's financial performance and position beyond that already anticipated by the forecasts, the company maintains net funds, working capital and confirmed funding facilities which the directors consider are sufficient to fully mitigate the risks which remain due to the current economic environment.

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

#### 2.4 Revenue recognition

##### *Turnover*

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

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

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

##### *Government grants*

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

#### 2.5 Employee benefits

##### *Short-term benefits*

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

##### *Defined contribution pension plan*

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



# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.6 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account.

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

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

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

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

#### 2.7 Tangible fixed assets and depreciation

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

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

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

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

#### 2.8 Leases

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

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

# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

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### 2. Accounting policies (continued)

#### 2.9 Fixed asset investments

Investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

#### 2.10 Stocks

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

#### 2.11 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, cash and bank balances and loans to or from related parties, including fellow group companies.

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

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

#### 2.12 Provisions

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

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

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

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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

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

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

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

##### ***Key sources of estimation uncertainty***

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and the residual values of the assets, which are re-assessed annually and amended when necessary to reflect current estimates. See note 12 for the carrying amount of tangible fixed assets and note 2.7 for the useful lives of each class of asset.

###### ***Impairment of debtors***

The company makes an estimate of the recoverable value of trade and other debtors, taking into account the current credit rating of the debtor, the ageing profile and historical experience. See note 15 for the carrying amount of debtors.

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

Provision for restoration costs include provisions associated with the post-closure costs of quarry and landfill sites. The company estimates its total future cost requirements for post closure monitoring which includes ground water monitoring, leachate management and methane gas control. The company provides for unavoidable costs of post-closure monitoring as the land area is used and environmental obligations arise. The provision has not been discounted as the effect of doing so would not be material. See note 20 for the carrying amount of the restoration provision.

#### 4. Turnover

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

	2022 £	2021 £
Own product	7,387,938	6,542,730
Haulage	2,870,111	2,526,821
Plant hire	152,919	103,542
Tipping	1,307,502	957,621
Other income	355,180	284,970
	<u>12,073,650</u>	<u>10,415,684</u>

All turnover arose within the United Kingdom.

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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#### 5. Other operating income

	2022 £	2021 £
Coronavirus Job Retention Scheme (CJRS) income	-	68,244

#### 6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	691,505	493,841
Loss on disposal of tangible fixed assets	3,695	163,692
Operating lease rentals	180,940	210,316

#### 7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	8,000	7,650

#### Fees payable to the company's auditor in respect of:

Taxation compliance services	2,150	2,150
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## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

#### 8. Employees

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

	2022 £	2021 £
Wages and salaries	2,069,552	1,873,807
Social security costs	207,092	187,649
Cost of defined contribution scheme	108,537	61,807
	<u>2,385,181</u>	<u>2,123,263</u>

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

	2022 No.	2021 No.
Drivers and plant operatives	35	29
Administration and management	15	16
Labourers	7	11
	<u>57</u>	<u>56</u>

#### 9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	230,321	25,315
Company contributions to defined contribution pension schemes	5,202	1,260
	<u>235,523</u>	<u>26,575</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £230,321 (2021: £25,315).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,202 (2021: £1,260).

#### 10. Interest payable and similar charges

	2022 £	2021 £
Finance leases and hire purchase contracts	<u>32,244</u>	<u>10,418</u>

# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	51,951
Adjustments in respect of previous periods	30,132	14
<b>Total current tax</b>	<b>30,132</b>	<b>51,965</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	418,812	32,899
Adjustments in respect of previous periods	(7,716)	(15)
<b>Total deferred tax</b>	<b>411,096</b>	<b>32,884</b>
<b>Taxation on profit on ordinary activities</b>	<b>441,228</b>	<b>84,849</b>

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before taxation	386,029	390,692
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	73,346	74,231
<b>Effects of:</b>		
Expenses not deductible for tax purposes	96,423	9,505
Provision movement	-	1,114
Adjustment in respect of previous periods	22,416	(1)
Changes to tax rates	162,058	-
Benefit of superdeduction	(100,183)	-
Group relief	187,168	-
<b>Total tax charge for the year</b>	<b>441,228</b>	<b>84,849</b>

### Factors that may affect future tax charges

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

#### 11. Taxation (continued)

The rate of corporation tax in the UK throughout the period was 19%. In the Spring Budget 2021 the government announced that the main rate of UK corporation tax will increase to 25% from 1 April 2023 and this rate change was substantively enacted on 24 May 2021. Accordingly, deferred tax at at 31 March 2022 has been calculated at 25%.

#### 12. Tangible fixed assets

	Freehold property and leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 April 2021	3,183,694	6,851,226	307,890	139,556	10,482,366
Additions	-	1,778,800	-	4,790	1,783,590
Disposals	-	(118,000)	-	-	(118,000)
At 31 March 2022	3,183,694	8,512,026	307,890	144,346	12,147,956
<b>Depreciation</b>					
At 1 April 2021	638,201	4,179,720	160,641	59,260	5,037,822
Charge for the year	-	649,958	29,450	12,097	691,505
Disposals	-	(744)	-	4,439	3,695
At 31 March 2022	638,201	4,828,934	190,091	75,796	5,733,022
<b>Net book value</b>					
At 31 March 2022	2,545,493	3,683,092	117,799	68,550	6,414,934
At 31 March 2021	2,545,493	2,671,506	147,249	80,296	5,444,544

The net book value of assets held under finance leases or hire purchase contracts, included within plant and machinery above, is £2,134,223 (2021: £1,384,794).

# W. & M. Thompson (Quarries) Limited

## Notes to the financial statements Year ended 31 March 2022

### 13. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	148,354
<b>Impairment</b>	
At 1 April 2021 and 31 March 2022	148,354
<b>Net book value</b>	
At 31 March 2021 and 31 March 2022	-

The company owns 100% of the ordinary share capital in Tyneside Minimix (Concrete) Limited, whose principal activity was the manufacture and distribution of concrete until it ceased trading during the prior year. The address of the registered office of Tyneside Minimix (Concrete) Limited is Princess Way, Low Prudhoe, Prudhoe, Northumberland, NE42 6PL.

### 14. Stocks

	2022 £	2021 £
Raw materials and consumables	293,861	209,359

Stocks are stated after provisions for impairment of £nil (2021: £nil). The impairment charge recognised during the year in relation to stock was £nil (2021: £nil).

### 15. Debtors

	2022 £	2021 £
Trade debtors	2,268,108	2,405,603
Amounts owed by group undertakings	1,663,862	1,570,196
Other debtors	23,099	20,126
Prepayments and accrued income	23,725	21,827
	3,978,794	4,017,752



## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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#### 15. Debtors (continued)

Trade debtors are stated after provisions for impairment of £45,860 (2021: £nil). The impairment charge recognised during the year in relation to trade debtors was £66,077 (2021: £24,193).

Amounts owed by group undertakings include £2,256,887 (2021: £1,520,816) from Thompsons of Prudhoe Limited, £4,112 (2021: £nil) from Thompsons Asbestos Services Ltd and £nil (2021: £49,380) from Tyneside Minimix Limited which are all repayable on demand.

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

	2022 £	2021 £
Trade creditors	954,978	978,806
Amounts owed to group undertakings	1,450,757	2,500,592
Other taxation and social security	758,243	710,535
Net obligations under finance leases and hire purchase contracts (note 18)	803,433	328,374
Accruals and deferred income	323,762	93,153
	<u>4,291,173</u>	<u>4,611,460</u>

Amounts owed to group undertakings include £1,450,757 (2021: £1,432,220) owed to Thompsons of Prudhoe Holding Limited and £597,137 (2021: £1,068,372) owed to Thompsons of Prudhoe Limited which are both payable on demand.

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

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	<u>945,798</u>	<u>298,960</u>

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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

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

	2022 £	2021 £
Within one year	849,017	344,597
After one year and before five years	970,120	302,122
Less: future interest charges	(69,906)	(19,385)
	<u>1,749,231</u>	<u>627,334</u>

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

#### 19. Deferred taxation

	2022 £	2021 £
At beginning of year	264,147	231,263
Charged to the profit and loss account	411,096	32,884
At end of year	<u>675,243</u>	<u>264,147</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	691,299	274,687
Short term timing differences	(16,056)	(10,540)
	<u>675,243</u>	<u>264,147</u>

The net amount of deferred tax assets and liabilities that are expected to originate within one year of the balance sheet date is £85,000 (2021: £151,000). This figure takes account of both the reversal of existing timing differences and the origination of new ones.

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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#### 20. Provisions

	Restoration provision £
At 1 April 2021	89,926
Utilised in year	(5,865)
<b>At 31 March 2022</b>	<b>84,061</b>

The restoration provision of £84,061 (2021: £89,926) is in respect of the Bishop Middleham quarry. This is expected to be payable in 8 years. The provision is an estimate made by management based on historic information.

#### 21. Share capital

	2022 £	2021 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 (2021: 1,000) Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>

There is a single class of ordinary shares in issue. There are no restrictions on the distribution of dividends or the repayment of capital.

#### 22. Reserves

##### *Profit and loss account*

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

#### 23. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £129,836 (2021: £61,807). Contributions totalling £22,518 (2021: £6,336) were payable to the fund at the balance sheet date and are included in creditors.

## W. & M. Thompson (Quarries) Limited

### Notes to the financial statements Year ended 31 March 2022

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#### 24. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	177,190	180,940
Later than 1 year and not later than 5 years	503,572	603,902
Later than 5 years	919,261	996,121
	<u>1,600,023</u>	<u>1,780,963</u>

#### 25. Related party transactions

Directors' remuneration is disclosed in note 9.

As a wholly-owned subsidiary, the company is exempt from disclosing transactions with its parent and with other wholly-owned subsidiaries within the same group.

#### 26. Controlling party

The immediate and ultimate parent undertaking, and the only group to consolidate these financial statements, is Thompsons of Prudhoe Holding Limited, whose registered office address is Princess Way, Low Prudhoe, Prudhoe, Northumberland, NE42 6PL. Copies of the Thompsons of Prudhoe Holding Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider there to be no ultimate controlling party.