

TUDOR GRIFFITHS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**



WR
Whittingham Riddell
chartered accountants

TUDOR GRIFFITHS LIMITED

COMPANY INFORMATION

Directors	J T Griffiths W M Griffiths M E Griffiths J Seaward
Company secretary	J Seaward
Registered number	06557373
Registered office	Wood Lane Ellesmere Shropshire SY12 0HY
Independent auditors	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Solicitors	Aaron & Partners LLP Lakeside House Oxon Business Park Shrewsbury Shropshire SY3 5HJ

TUDOR GRIFFITHS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9 - 10
Statement of Changes in Equity	11
Statement of Cash Flows	12 - 13
Notes to the Financial Statements	14 - 34

TUDOR GRIFFITHS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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

We have been operating the new biomass facility at our head office site at Wood Lane, Ellesmere throughout the year and it has made a contribution to this year's results. This operation complements our existing recycling activities and enables us to supply biomass fuel to the growing local market enhancing the green credentials of our T G Environmental division.

There has been a concerted push during the year to increase the skip hire business and this should show benefits for the whole division going forward.

The Concrete and Aggregates have both continued to perform well during the year, although there was a reduction in sales for both divisions partly as a result of the bad weather over the winter period. T G Electrical Services continues to show steady progress.

The Company has had a successful year's trading despite the decrease in turnover of just over 6% to £18.1M. However, net profitability has increased from £560K to £854K largely as a result of the reduction in costs associated with buying in third party aggregate and the commencement of the biomass facility becoming operational at the start of the year.

The Directors are satisfied with the results for the year and look forward to further positive results in the coming years.

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.

TUDOR GRIFFITHS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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: 22/11/2018

TUDOR GRIFFITHS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

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 £673,463 (2017 - £299,254).

A dividend was paid during the year of £350,000 (2017: £500,000).

Directors

The Directors who served during the year were:

J T Griffiths
W M Griffiths
M E Griffiths
J Seaward

TUDOR GRIFFITHS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Future developments

The biomass facility has been integrated into the business during the year and the focus for this division is improving the quality of waste received into the Materials Recycling Facility to drive up recycling rates, partly from increasing the proportion of waste received from T G Skip Hire.

The Directors are constantly looking for opportunities to expand the Concrete and Aggregates divisions and it is hoped that some of these will come to fruition in the medium term.

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 have been no significant events affecting the Company since the year end.

Auditors

The auditors, Whittingham Riddell LLP, 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: 22/11/2018

TUDOR GRIFFITHS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TUDOR GRIFFITHS LIMITED

Opinion

We have audited the financial statements of Tudor Griffiths Limited (the 'Company') for the year ended 31 March 2018, 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 the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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 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

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 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

TUDOR GRIFFITHS LIMITED

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 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.

TUDOR GRIFFITHS LIMITED

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

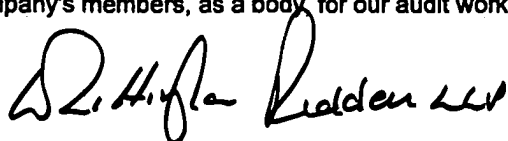
Auditors' responsibilities for the audit of the financial statements

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
Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 28 November 2018

TUDOR GRIFFITHS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	5	18,113,370	19,295,280
Cost of sales		(6,939,804)	(8,176,685)
GROSS PROFIT		11,173,566	11,118,595
Distribution costs		(8,423,457)	(8,514,396)
Administrative expenses		(1,990,150)	(2,378,020)
Other operating income	6	291,154	300,010
Fair value movements		24,500	-
OPERATING PROFIT		1,075,613	526,189
Interest payable and expenses	10	(196,738)	(147,500)
PROFIT BEFORE TAX		878,875	378,689
Tax on profit	11	(205,412)	(79,435)
PROFIT FOR THE FINANCIAL YEAR		673,463	299,254

There was no other comprehensive income for 2018 (2017:£NIL).

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 2018

		2018 £	<i>As restated</i> 2017 £
FIXED ASSETS	Note		
Intangible assets	13	366,825	437,824
Tangible assets	14	11,265,352	11,416,668
Investments	15	19,894	24,894
Investment property	16	8,723,997	8,695,000
		<u>20,376,068</u>	<u>20,574,386</u>
CURRENT ASSETS			
Stocks	17	372,900	165,876
Debtors: amounts falling due within one year	18	4,402,369	4,510,839
Cash at bank and in hand	19	320	320
		<u>4,775,589</u>	<u>4,677,035</u>
Creditors: amounts falling due within one year	20	(6,534,993)	(6,020,529)
NET CURRENT LIABILITIES		<u>(1,759,404)</u>	<u>(1,343,494)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,616,664</u>	<u>19,230,892</u>
Creditors: amounts falling due after more than one year	21	(4,370,429)	(5,324,260)
PROVISIONS FOR LIABILITIES			
Deferred tax	25	(213,439)	(232,223)
Other provisions	26	(296,854)	(261,930)
		<u>(510,293)</u>	<u>(494,153)</u>
NET ASSETS		<u><u>13,735,942</u></u>	<u><u>13,412,479</u></u>

TUDOR GRIFFITHS LIMITED
REGISTERED NUMBER: 06557373

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
CAPITAL AND RESERVES			
Called up share capital	27	19	19
Revaluation reserve	28	5,057,490	5,057,490
Merger reserve	28	4,272,185	4,272,185
Profit and loss account	28	4,406,248	4,082,785
		<u>13,735,942</u>	<u>13,412,479</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: 22/11/2018

TUDOR GRIFFITHS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2017	19	5,057,490	4,272,185	4,082,785	13,412,479
Profit for the year	-	-	-	673,463	673,463
Transfer revaluation and related deferred tax	-	-	-	-	-
Dividends: Equity capital	-	-	-	(350,000)	(350,000)
AT 31 MARCH 2018	19	5,057,490	4,272,185	4,406,248	13,735,942

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2016	19	4,905,876	4,272,185	4,283,531	13,461,611
Profit for the year	-	-	-	299,254	299,254
Surplus on revaluation of freehold property	-	151,614	-	-	151,614
Transfer revaluation and related deferred tax	-	-	-	-	-
Dividends: Equity capital	-	-	-	(500,000)	(500,000)
AT 31 MARCH 2017	19	5,057,490	4,272,185	4,082,785	13,412,479

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

TUDOR GRIFFITHS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
	673,463	299,254
ADJUSTMENTS FOR:		
Amortisation of intangible assets	70,999	70,999
Depreciation of tangible assets	1,671,104	1,423,917
Loss on disposal of tangible assets	(71,743)	(8,435)
Interest paid	196,738	147,500
Taxation charge	205,412	79,435
(Increase)/decrease in stocks	(207,024)	51,687
Decrease/(increase) in debtors	188,850	(447,520)
(Decrease)/increase in creditors	(415,878)	947,251
Increase in amounts owed to connected companies	250,000	250,000
Increase in provisions	34,924	34,924
Net fair value (gains)/losses recognised in P&L	(24,500)	-
Corporation tax (paid)	(50,280)	(74,911)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,522,065	2,774,101
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(1,686,294)	(5,049,085)
Sale of tangible fixed assets	238,250	35,320
Purchase of investment properties	(4,497)	(19,381)
Purchase of unlisted and other investments	-	(4,111)
Sale of unlisted and other investments	5,000	-
HP interest paid	(105,708)	(67,580)
NET CASH FROM INVESTING ACTIVITIES	(1,553,249)	(5,104,837)

TUDOR GRIFFITHS LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	-	3,305,411
Repayment of loans	(2,455,438)	-
Repayment of/new finance leases	1,483,505	(400,600)
Dividends paid	(350,000)	(500,000)
Interest paid	(91,031)	(79,920)
NET CASH USED IN FINANCING ACTIVITIES	(1,412,964)	2,324,891
(DECREASE) IN CASH AND CASH EQUIVALENTS	(444,148)	(5,845)
Cash and cash equivalents at beginning of year	(656,065)	(650,220)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	(1,100,213)	(656,065)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	320	320
Bank overdrafts	(1,100,533)	(656,385)
	(1,100,213)	(656,065)

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

TUDOR GRIFFITHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 2018**

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 the Statement of Comprehensive Income 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 2018

3. ACCOUNTING POLICIES (CONTINUED)

3.5 FINANCE COSTS

Finance costs are charged to the Statement of comprehensive income 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.

3.6 BORROWING COSTS

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

3.7 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 the Statement of comprehensive income 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.

3.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

TUDOR GRIFFITHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. ACCOUNTING POLICIES (CONTINUED)

3.9 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.

3.10 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.

3.11 TANGIBLE FIXED ASSETS

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

Depreciation is 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 the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

3. ACCOUNTING POLICIES (CONTINUED)

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

TUDOR GRIFFITHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. ACCOUNTING POLICIES (CONTINUED)

3.18 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 the Statement of Comprehensive Income 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.

3.19 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 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.

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

3. ACCOUNTING POLICIES (CONTINUED)

3.20 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.

5. TURNOVER

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

	2018 £	2017 £
Concrete and Aggregate Sales	13,023,078	14,148,233
General Sales	500	354,706
Waste Disposal	3,081,884	3,204,681
Skip Hire	1,203,605	1,245,346
Electrical Services	317,367	339,467
Renewable Heat Incentive	486,936	2,847
	<u>18,113,370</u>	<u>19,295,280</u>

All turnover arose within the United Kingdom.

6. OTHER OPERATING INCOME

	2018 £	2017 £
Other operating income	291,154	300,010
	<u>291,154</u>	<u>300,010</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8,500</u>	<u>8,500</u>

8. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	4,100,635	4,124,593
Social security costs	342,317	457,468
Cost of defined contribution scheme	122,617	112,201
	<u>4,565,569</u>	<u>4,694,262</u>

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

	2018 No.	2017 No.
Employees	<u>136</u>	<u>133</u>

9. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	350,611	584,776
	<u>350,611</u>	<u>584,776</u>

During the year retirement benefits were accruing to 2 Directors (2017 - 2) in respect of defined contribution pension schemes.

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest payable	91,030	79,920
Finance leases and hire purchase contracts	105,708	67,580
	<u>196,738</u>	<u>147,500</u>

11. TAXATION

	2018 £	2017 £
CORPORATION TAX		
Current tax on profits for the year	224,196	50,004
TOTAL CURRENT TAX	<u>224,196</u>	<u>50,004</u>
DEFERRED TAX		
Origination and reversal of timing differences	(18,784)	29,431
TOTAL DEFERRED TAX	<u>(18,784)</u>	<u>29,431</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>205,412</u>	<u>79,435</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>878,875</u>	<u>378,689</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	166,986	75,738
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,878	17,252
Capital allowances for year in excess of depreciation	36,701	-
Non-taxable income	(9,922)	-
Adjustment to closing deferred taxation rate	1,322	(18,694)
Other differences leading to an increase (decrease) in the tax charge	(7,553)	5,139
TOTAL TAX CHARGE FOR THE YEAR	<u><u>205,412</u></u>	<u><u>79,435</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% (effective 1 April 2017) and 18% (effective 1 April 2020). At Budget 2016, the government announced a further reduction to the Corporation Tax main rate to 17% (effective 1 April 2020) and this rate was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

12. DIVIDENDS

	2018 £	2017 £
Dividends paid in the year	<u>350,000</u>	<u>500,000</u>
	<u><u>350,000</u></u>	<u><u>500,000</u></u>

TUDOR GRIFFITHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

13. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 April 2017	709,985
At 31 March 2018	<u>709,985</u>
AMORTISATION	
At 1 April 2017	272,161
Charge for the year	70,999
At 31 March 2018	<u>343,160</u>
NET BOOK VALUE	
At 31 March 2018	<u>366,825</u>
At 31 March 2017	<u>437,824</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 April 2017 (as restated)	6,115,083	303,236	11,682,498	5,422,402	23,523,219
Additions	556,366	-	691,950	437,978	1,686,294
Disposals	-	-	(456,000)	(130,295)	(586,295)
At 31 March 2018	6,671,449	303,236	11,918,448	5,730,085	24,623,218
DEPRECIATION					
At 1 April 2017	1,905,978	297,529	6,246,604	3,656,440	12,106,551
Charge for the year on owned assets	193,163	5,707	668,007	320,630	1,187,507
Charge for the year on financed assets	-	-	288,588	195,008	483,596
Disposals	-	-	(240,374)	(179,414)	(419,788)
At 31 March 2018	2,099,141	303,236	6,962,825	3,992,664	13,357,866
NET BOOK VALUE					
At 31 March 2018	4,572,308	-	4,955,623	1,737,421	11,265,352
At 31 March 2017 (as restated)	4,209,105	5,707	5,435,894	1,765,962	11,416,668

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

	2018 £	As restated 2017 £
Freehold	4,572,308	4,209,105
Long leasehold	-	5,707
	4,572,308	4,214,812

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 April 2017	24,894
Disposals	(5,000)
At 31 March 2018	19,894
NET BOOK VALUE	
At 31 March 2018	19,894
At 31 March 2017	24,894

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 April 2017	8,695,000
Additions at cost	4,497
Surplus on revaluation	24,500
AT 31 MARCH 2018	8,723,997

The 2018 valuations were made by the Directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	As restated 2017 £
Historic cost	3,268,244	3,263,749

17. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	372,900	165,876

Stock recognised in cost of sales during the year as an expense was £5,570,365 (2017: £6,205,661).

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. DEBTORS

	2018 £	2017 £
Trade debtors	3,027,593	3,217,706
Other debtors	1,259,406	1,151,232
Prepayments and accrued income	115,370	141,901
	<u>4,402,369</u>	<u>4,510,839</u>

19. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	320	320
Less: bank overdrafts	(1,100,533)	(656,385)
	<u>(1,100,213)</u>	<u>(656,065)</u>

20. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	1,100,533	656,385
Bank loans	285,835	609,348
Trade creditors	2,496,982	2,878,051
Amounts owed to connected companies	500,000	250,000
Corporation tax	247,448	73,532
Other taxation and social security	402,847	162,029
Obligations under finance lease and hire purchase contracts	1,159,472	1,051,024
Accruals and deferred income	341,876	340,160
	<u>6,534,993</u>	<u>6,020,529</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Bank loans	1,464,138	3,596,063
Net obligations under finance leases and hire purchase contracts	2,841,442	1,466,385
Other creditors	64,849	261,812
	<u>4,370,429</u>	<u>5,324,260</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.

Amounts payable in part over five years relate to consolidated loans from Lombard, 12 payments of £17,004 are due after 5 years. Which are inclusive of a fixed interest rate of 3.75%.

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. LOANS

Analysis of the maturity of loans is given below:

	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	285,835	609,348
	<u>285,835</u>	<u>609,348</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	712,081	1,149,359
	<u>712,081</u>	<u>1,149,359</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	556,897	978,696
	<u>556,897</u>	<u>978,696</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	195,160	1,468,008

23. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	1,159,473	1,051,024
Between 1-5 years	2,503,227	703,735
Over 5 years	346,087	762,649
	<u>4,008,787</u>	<u>2,517,408</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

24. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	24,894	25,214
Financial assets that are debt instruments measured at amortised cost	4,286,999	4,368,936
	<u>4,311,893</u>	<u>4,394,150</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(6,254,213)</u>	<u>(8,591,819)</u>

Financial assets measured at fair value through profit or loss comprise of unlisted investments.

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial assets that are equity instruments measured at cost less impairment comprise...

Financial liabilities measured at amortised cost comprise of trade and other creditors, accruals, amounts owed to common control entities, and bank loans.

25. DEFERRED TAXATION

	2018 £
At beginning of year	(232,223)
Charged to the profit or loss	18,784
AT END OF YEAR	<u>(213,439)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(213,439)	(232,223)
	<u>(213,439)</u>	<u>(232,223)</u>

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

26. PROVISIONS

	FillSecure £
At 1 April 2017	261,930
Charged to profit or loss	34,924
AT 31 MARCH 2018	296,854

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 13 years agreement, the costs of dilapidation will be written off to the Statement of Comprehensive Income and at the end of the 13 years the provision will offset the investment in the trust.

27. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
16 (2017 - 16) Ordinary shares of £1.00 each	16	16
3 (2017 - 3) Ordinary A shares of £1.00 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

There was an incident that occurred during December 2016 which is currently undergoing investigation. Due to inherent uncertainties regarding the situation, no accurate quantification, or timing of any cost which may arise as a result of the enquiries can be made.

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.

TUDOR GRIFFITHS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

30. 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 £122,617 (2017: £112,201).

31. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	58,300	318,900
	<u>58,300</u>	<u>318,900</u>
	2018 £	2017 £
Not later than 1 year	22,295	9,900
Later than 1 year and not later than 5 years	-	32,195
	<u>22,295</u>	<u>42,095</u>

TUDOR GRIFFITHS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

32. RELATED PARTY TRANSACTIONS

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

TG 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.

WM Griffiths Farm - a partnership with which Mr 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

	2018 Sales/ Purchases £	2018 Debtor/ (Creditor) £	2017 Sales/ Purchases £	2017 Debtor/ (Creditor) £
Tudor Griffiths Builders Merchants Ltd	2,803,870	103,169	2,084,954	342,392
Powys Ready Mixed Concrete Company Ltd	2,011,046	141,031	1,582,021	-
Ellesmere Sand & Gravel Co Ltd	740,600	1,732	1,963,554	20,000
Porthmadog Concrete Ltd	24,587	13,359	20,824	-
WM Griffiths Farm Ltd	120,222	-	120,380	380
Loan made to M Sleigh	3,599	57,811	2,611	54,212
Rent received from Mr W M G Griffiths	33,500	-	31,750	-
Rent recieved from Mr J T Griffiths	21,000	-	20,000	-
Tudor Griffiths Builders Mechants Ltd	(75,091)	(34,998)	133,054	(327,348)
Ellesmere Sand & Gravel Co Ltd	(854,476)	(323,565)	652,510	(500,693)
Porthmadog Concrete Ltd	(7,000)	(973)	7,425	(1,431)
Loan to/(from) Mr W M Griffiths	-	(64,849)	-	(182,785)
Loan to/(from) Mr J T Griffiths	-	48,208	-	(6,468)
Loan to/(from) Mrs M E W. Griffiths	-	31,575	-	(64,326)
Loan to/(from) Mrs J M Griffiths	-	597	-	(8,233)

33. CONTROLLING PARTY

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