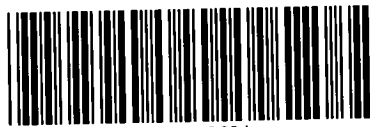


**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019
FOR
HUDSON CONTRACT LIMITED**

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FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

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HUDSON CONTRACT LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

DIRECTORS:

D C Jackson
L A Jackson
I S Anfield
D G W Bradley

REGISTERED OFFICE:

1 Mill Lane
Bridlington
East Yorkshire
YO16 7AP

REGISTERED NUMBER:

10046708 (England and Wales)

SENIOR STATUTORY AUDITOR: Rebecca Sygrove, FCCA

AUDITORS:

Lloyd Dowson Audit Limited
Chartered Accountants
& Statutory Auditors
Medina House
2 Station Avenue
Bridlington
East Yorkshire
YO16 4LZ

**GROUP STRATEGIC REPORT
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

The directors present their strategic report of the company and the group for the period 30 March 2018 to 5 April 2019.

REVIEW OF BUSINESS

The results for the period and financial position of the group are as shown in the annexed financial statements.

The group's trade is directly linked with the construction industry and the directors consider gross profit to be its key financial performance indicator. The gross profit for the period was £13,572,228. The group continues to thrive and remains as one of the leading operators in its field.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the nature of the group's trade, it is directly affected by the trends within the construction industry. The directors have a policy of continuously monitoring customer activity and are always actively seeking a wider customer base.

On 6 April 2014, H M Revenue and Customs implemented measures to tackle perceived false self employment, via intermediaries, in their attempt to avoid employment taxes. In response to this the group has carried out a full and comprehensive review of all operatives in order to maintain compliance.

Due to the nature of the subsidiary's trade in previous years, the wholly owned subsidiary is currently in dispute with the CITB over levy assessments for the financial years 2016, 2017 and 2018 totalling over £27.4m. This company has a pending appeal at the Court of Appeal in early 2020.

In response to the above assessments, the subsidiary has gathered evidence of records that entitles it to claim grants that are in the region of £28.1m should the levy assessments be upheld. No provision is included in these group accounts for either the asset or liability.

FINANCIAL INSTRUMENTS

The group's main financial instruments comprise bank balances and trade creditors. The main function of these instruments is to maintain funds to finance the groups operations.

Due to the nature of the financial instruments used by the group there is no exposure to price or currency risk. The group's approach to managing other risks applicable to the financial instruments is detailed below.

The group does not use bank loans and manages its liquidity risk by monitoring cash flows to ensure it has sufficient funds to meet liabilities as they fall due.

Trade creditors risk is managed by ensuring sufficient funds are available to meet liabilities as they fall due.

Surplus cash funds are held on short term deposit.

COMPANY EMPLOYEES

The group can only continue to succeed if it surpasses the expectations of both existing and potential customers with its services. The group's employees play a key role in ensuring this is achieved.

The group ensures that its employees possess the tools and training they need to flourish in their individual areas. The directors recognise the contribution staff members make on a daily basis and encourage them to strive to achieve their full potential.

**GROUP STRATEGIC REPORT
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

ENVIRONMENTAL AND SOCIAL ISSUES

The group offers services to the UK construction industry from offices based in East Yorkshire and Manchester. The services carried out are mainly centred around complex IT software systems all of which the group considers has a minimal impact on the local environment.

The group follows strict health and safety guidelines at its offices to ensure staff safety is maintained.

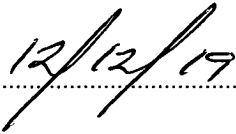
The subcontract labour force are directly responsible for their own environmental and social issues.

ON BEHALF OF THE BOARD:



.....
D C Jackson - Director

Date:



**REPORT OF THE DIRECTORS
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

The directors present their report with the financial statements of the company and the group for the period 30 March 2018 to 5 April 2019.

PRINCIPAL ACTIVITY

The principal activity of the group in the period under review was that of the supply of of work place audit and CIS administration services to the construction industry.

DIVIDENDS

The total distribution of dividends for the period ended 5 April 2019 will be £8,531,000.

FUTURE DEVELOPMENTS

The group plans to continue growing the business whilst ensuring it remains as one of the leading operators in its field.

DIRECTORS

The directors shown below have held office during the whole of the period from 30 March 2018 to the date of this report.

D C Jackson
L A Jackson
I S Anfield
D G W Bradley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**REPORT OF THE DIRECTORS
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

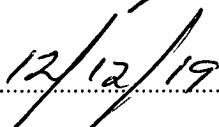
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

ON BEHALF OF THE BOARD:



.....
D.C Jackson - Director

Date:



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUDSON CONTRACT LIMITED

Opinion

We have audited the financial statements of Hudson Contract Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 5 April 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 5 April 2019 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's 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.

Emphasis of matter

We draw your attention to the ongoing litigation between the subsidiary and the CITB as described in the strategic report and the uncertainty of a successful grant claim to offset this. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HUDSON CONTRACT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

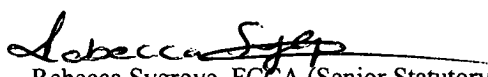
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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


Rebecca Sygrove, FCCA (Senior Statutory Auditor)
for and on behalf of Lloyd Dowson Audit Limited
Chartered Accountants
& Statutory Auditors
Medina House
2 Station Avenue
Bridlington
East Yorkshire
YO16 4LZ

Date: 23 December 2019

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

		Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
	Notes		
TURNOVER		1,279,044,986	1,125,891,845
Cost of sales		1,265,472,758	1,111,293,187
GROSS PROFIT		13,572,228	14,598,658
Administrative expenses		3,866,181	4,689,277
		9,706,047	9,909,381
Other operating income		136,250	263,000
Gain/loss on revaluation of investment property		(31,880)	-
OPERATING PROFIT	4	9,810,417	10,172,381
Interest receivable and similar income		368,209	286,390
		10,178,626	10,458,771
Interest payable and similar expenses	5	6,033	494
PROFIT BEFORE TAXATION		10,172,593	10,458,277
Tax on profit	6	1,941,591	1,982,761
PROFIT FOR THE FINANCIAL PERIOD		8,231,002	8,475,516
Profit attributable to: Owners of the parent		8,231,002	8,475,516

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

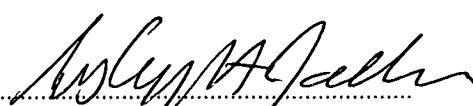
	Notes	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
PROFIT FOR THE PERIOD		8,231,002	8,475,516
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>8,231,002</u>	<u>8,475,516</u>
Total comprehensive income attributable to: Owners of the parent		<u>8,231,002</u>	<u>8,475,516</u>

CONSOLIDATED BALANCE SHEET
5 APRIL 2019

	Notes	5.4.19 £	29.3.18 £
FIXED ASSETS			
Tangible assets	9	238,924	154,831
Investments	10	-	-
Investment property	11	28,120	60,000
		<u>267,044</u>	<u>214,831</u>
CURRENT ASSETS			
Debtors	12	147,749	357,663
Cash at bank		75,843,930	59,921,938
		<u>75,991,679</u>	<u>60,279,601</u>
CREDITORS			
Amounts falling due within one year	13	75,438,794	59,374,505
NET CURRENT ASSETS		<u>552,885</u>	<u>905,096</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>819,929</u>	<u>1,119,927</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000,120	1,000,120
Non distributable reserve	16	-	14,741
Retained earnings	16	(180,191)	105,066
SHAREHOLDERS' FUNDS		<u>819,929</u>	<u>1,119,927</u>

The financial statements were approved by the Board of Directors on 12/12/2019 and were signed on its behalf by:

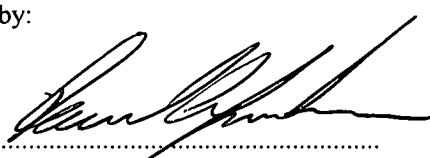

D C Jackson - Director

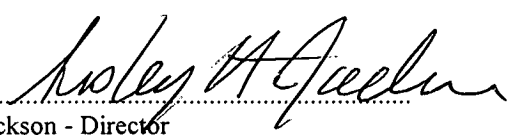

L A Jackson - Director

COMPANY BALANCE SHEET
5 APRIL 2019

	Notes	5.4.19 £	29.3.18 £
FIXED ASSETS			
Tangible assets	9	232,101	146,235
Investments	10	1,000,010	1,000,010
Investment property	11	-	-
		<u>1,232,111</u>	<u>1,146,245</u>
CURRENT ASSETS			
Debtors	12	147,278	368
Cash at bank		<u>75,442,229</u>	<u>194,031</u>
		75,589,507	194,399
CREDITORS			
Amounts falling due within one year	13	<u>75,814,911</u>	<u>340,524</u>
NET CURRENT LIABILITIES		<u>(225,404)</u>	<u>(146,125)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,006,707</u>	<u>1,000,120</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000,120	1,000,120
Retained earnings	16	<u>6,587</u>	<u>-</u>
SHAREHOLDERS' FUNDS		<u>1,006,707</u>	<u>1,000,120</u>
Company's profit for the financial year		<u>8,537,587</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 12/12/2019 and were signed on its behalf by:


D C Jackson - Director


L A Jackson - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

	Called up share capital £	Retained earnings £	Non distributable reserve £	Total equity £
Balance at 1 April 2017	1,000,108	540,374	13,913	1,554,395
Changes in equity				
Issue of share capital	12	-	-	12
Dividends	-	(8,909,996)	-	(8,909,996)
Total comprehensive income	-	8,474,688	828	8,475,516
Balance at 29 March 2018	<u>1,000,120</u>	<u>105,066</u>	<u>14,741</u>	<u>1,119,927</u>
Changes in equity				
Dividends	-	(8,531,000)	-	(8,531,000)
Total comprehensive income	-	8,245,743	(14,741)	8,231,002
Balance at 5 April 2019	<u>1,000,120</u>	<u>(180,191)</u>	<u>-</u>	<u>819,929</u>

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	100	-	100
Changes in equity			
Issue of share capital	1,000,020	-	1,000,020
Balance at 29 March 2018	1,000,120	-	1,000,120
Changes in equity			
Dividends	-	(8,531,000)	(8,531,000)
Total comprehensive income	-	8,537,587	8,537,587
Balance at 5 April 2019	1,000,120	6,587	1,006,707

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019**

		Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Cash flows from operating activities			
Cash generated from operations	1	4,325,555	(2,864,215)
Interest paid		(6,033)	(494)
Tax paid		(935,561)	(2,170,755)
Net cash from operating activities		<u>3,383,961</u>	<u>(5,035,464)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(165,157)	(79,445)
Sale of tangible fixed assets		17,000	51,722
Interest received		368,209	286,390
Net cash from investing activities		<u>220,052</u>	<u>258,667</u>
Cash flows from financing activities			
Advance to / from associated companies		20,846,701	-
Amount introduced by directors		2,278	102,481
Share issue		-	112
Equity dividends paid		(8,531,000)	(8,909,996)
Net cash from financing activities		<u>12,317,979</u>	<u>(8,807,403)</u>
Increase/(decrease) in cash and cash equivalents		<u>15,921,992</u>	<u>(13,584,200)</u>
Cash and cash equivalents at beginning of period	2	<u>59,921,938</u>	<u>73,506,138</u>
Cash and cash equivalents at end of period	2	<u><u>75,843,930</u></u>	<u><u>59,921,938</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

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

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Profit before taxation	10,172,593	10,458,277
Depreciation charges	66,541	217,820
(Profit)/loss on disposal of fixed assets	(2,478)	17,886
Loss on revaluation of fixed assets	31,880	-
Finance costs	6,033	494
Finance income	(368,209)	(286,390)
	<u>9,906,360</u>	<u>10,408,087</u>
Decrease in trade and other debtors	325,839	74,114
Decrease in trade and other creditors	(5,906,644)	(13,346,416)
	<u>(5,580,805)</u>	<u>(12,964,218)</u>
Cash generated from operations	<u>4,325,555</u>	<u>(2,864,215)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 5 April 2019

	5.4.19 £	30.3.18 £
Cash and cash equivalents	<u>75,843,930</u>	<u>59,921,938</u>

Period ended 29 March 2018

	29.3.18 £	1.4.17 £
Cash and cash equivalents	<u>59,921,938</u>	<u>73,506,138</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

1. STATUTORY INFORMATION

Hudson Contract Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 5 April each year. The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. Where appropriate, merger accounting is applied to business combinations.

Hudson Contract Services Limited was acquired during 2018 under a share for share exchange and has been accounted for under merger accounting.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover represents total recharged subcontractor labour costs and associated administration fee, net of value added tax.

The group operates as a principal and therefore records its income gross, without the deduction of associated subcontractor costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 15% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Pension costs and other post-retirement benefits

The group has implemented automatic enrolment into a workplace pension scheme in relation to all employees.

All contributions payable for the year are charged to the profit & loss account.

Leasing commitments

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

3. EMPLOYEES AND DIRECTORS

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Wages and salaries	999,791	949,082
Social security costs	132,604	130,056
Other pension costs	6,915	6,733
	<u>1,139,310</u>	<u>1,085,871</u>

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

	Period 30.3.18 to 5.4.19	Period 1.4.17 to 29.3.18
Directors	4	4
Administration staff	5	5
	<u>9</u>	<u>9</u>

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Directors' remuneration	<u>704,729</u>	<u>660,496</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

3. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Emoluments etc	<u>224,769</u>	<u>203,418</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Depreciation - owned assets	66,542	233,419
(Profit)/loss on disposal of fixed assets	(2,478)	17,886
Auditors' remuneration	13,050	19,829
Other non- audit services	<u>48,883</u>	<u>29,349</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Corporation tax interest	<u>6,033</u>	<u>494</u>

6. **TAXATION**

Analysis of the tax charge

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

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Current tax:		
UK corporation tax	1,941,591	2,015,440
Deferred tax	-	(32,679)
Tax on profit	<u>1,941,591</u>	<u>1,982,761</u>

UK corporation tax has been charged at 19% (2018 - 19%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Profit before tax	<u>10,172,593</u>	<u>10,458,277</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,932,793	1,987,073
Effects of:		
Expenses not deductible for tax purposes	6,057	-
Depreciation in excess of capital allowances	2,741	28,367
Deferred taxation	-	(32,679)
Total tax charge	<u>1,941,591</u>	<u>1,982,761</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	Period 30.3.18 to 5.4.19 £	Period 1.4.17 to 29.3.18 £
Ordinary shares of £1 each Interim	6,400,000	6,928,108
Ordinary A shares of £1 each Interim	231,000	231,000
Ordinary B shares of £1 each Interim	300,000	200,000
Ordinary C shares of £1 each Interim	1,600,000	1,550,888
	<u>8,531,000</u>	<u>8,909,996</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

9. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 30 March 2018	-	138,612	112,001	250,613
Additions	7,965	147,962	9,230	165,157
Disposals	-	(34,423)	-	(34,423)
At 5 April 2019	7,965	252,151	121,231	381,347
DEPRECIATION				
At 30 March 2018	-	48,210	47,572	95,782
Charge for period	1,195	54,362	10,985	66,542
Eliminated on disposal	-	(19,901)	-	(19,901)
At 5 April 2019	1,195	82,671	58,557	142,423
NET BOOK VALUE				
At 5 April 2019	6,770	169,480	62,674	238,924
At 29 March 2018	-	90,402	64,429	154,831

Company

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 30 March 2018	-	82,233	64,002	146,235
Additions	7,965	147,962	9,230	165,157
Disposals	-	(12,750)	-	(12,750)
At 5 April 2019	7,965	217,445	73,232	298,642
DEPRECIATION				
Charge for period	1,195	54,361	10,985	66,541
At 5 April 2019	1,195	54,361	10,985	66,541
NET BOOK VALUE				
At 5 April 2019	6,770	163,084	62,247	232,101
At 29 March 2018	-	82,233	64,002	146,235

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

10. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 30 March 2018
and 5 April 2019

1,000,010

NET BOOK VALUE

At 5 April 2019

1,000,010

At 29 March 2018

1,000,010

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Hudson Contract Services Limited

Registered office: 1 Mill Lane, Bridlington, East Yorkshire, YO16 7AP

Nature of business: Management services

	% holding
Class of shares:	
Ordinary £1	100.00
Ordinary A, B and C	100.00

	5.4.19	29.3.18
	£	£
Aggregate capital and reserves	806,408	1,111,221
(Loss)/profit for the period	<u>(304,813)</u>	<u>8,466,920</u>

11. INVESTMENT PROPERTY

Group

Total
£

FAIR VALUE

At 30 March 2018
Revaluations

60,000
(31,880)

At 5 April 2019

28,120

NET BOOK VALUE

At 5 April 2019

28,120

At 29 March 2018

60,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

11. INVESTMENT PROPERTY - continued

Group

Fair value at 5 April 2019 is represented by:

	£
Valuation in 2004	14,741
Valuation in 2019	(31,880)
Cost	45,259
	<u>28,120</u>

If investment property had not been revalued it would have been included at the following historical cost:

	5.4.19	29.3.18
	£	£
Cost	<u>45,259</u>	<u>45,259</u>

In respect of the revalued property, the directors have revalued this to the net realisable value following the disposal after the year end.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	5.4.19	29.3.18	5.4.19	29.3.18
	£	£	£	£
Trade debtors	5,926	1,500	5,926	-
Amounts owed by associates	115,804	-	115,804	-
Corporation tax refund	121	-	-	-
Prepayments and accrued income	25,898	356,163	25,548	368
	<u>147,749</u>	<u>357,663</u>	<u>147,278</u>	<u>368</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	5.4.19	29.3.18	5.4.19	29.3.18
	£	£	£	£
Trade creditors	16,713	16,250	16,713	-
Amounts owed to associates	20,962,505	-	21,045,171	-
Corporation tax	1,941,591	935,440	1,941,591	-
Social security and other taxes	41,494	17,704,472	41,494	-
VAT	50,839,911	39,497,795	51,144,863	-
Payments in advance	1,346,399	912,567	1,346,399	140,134
Directors' current accounts	204,870	202,592	202,668	200,390
Accrued expenses	85,311	105,389	76,012	-
	<u>75,438,794</u>	<u>59,374,505</u>	<u>75,814,911</u>	<u>340,524</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

Group

	Non-cancellable operating leases	
	5.4.19	29.3.18
	£	£
Within one year	39,264	60,000
Between one and five years	-	21,666
	<u>39,264</u>	<u>81,666</u>

Company

	Non-cancellable operating leases	
	5.4.19	29.3.18
	£	£
Within one year	39,264	60,000
Between one and five years	-	21,666
	<u>39,264</u>	<u>81,666</u>

15. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	5.4.19	29.3.18
			£	£
1,000,100	Ordinary	£1	1,000,100	1,000,100
14	Ordinary A	£1	14	14
2	Ordinary B	£1	2	2
4	Ordinary C	£1	4	4
			<u>1,000,120</u>	<u>1,000,120</u>

16. **RESERVES**

Group

	Retained earnings	Non distributable reserve	Totals
	£	£	£
At 30 March 2018	105,066	14,741	119,807
Profit for the period	8,231,002		8,231,002
Dividends	(8,531,000)		(8,531,000)
Transfer between reserves	14,741	(14,741)	-
At 5 April 2019	<u>(180,191)</u>	<u>-</u>	<u>(180,191)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 30 MARCH 2018 TO 5 APRIL 2019

16. RESERVES - continued

Company

	Retained earnings £
Profit for the period	8,537,587
Dividends	(8,531,000)
At 5 April 2019	6,587

17. CAPITAL COMMITMENTS

	5.4.19 £	29.3.18 £
Contracted but not provided for in the financial statements	70,044	-

18. RELATED PARTY DISCLOSURES

During the period, total dividends of £6,832,000 were paid to the directors.

During the financial period to 5 April 2019 the company entered into transactions under the normal course of trading with Hudson CIS (Guernsey) Limited, Hudson Administration Services Limited and Hudson CIS (GB) Limited. D C Jackson is the ultimate controlling party of all of these associated companies. As at 5 April 2019 amounts (owed to)/owed from were as follows:

	£
Hudson CIS (Guernsey) Limited	(20,893,899)
Hudson Administration Services Limited	(68,606)
Hudson CIS (GB) Limited	115,804

All transactions were on an arms length basis under normal market conditions.

During the period, a total of key management personnel remuneration of £599,960 was paid.

19. ULTIMATE CONTROLLING PARTY

The controlling party is D C Jackson.