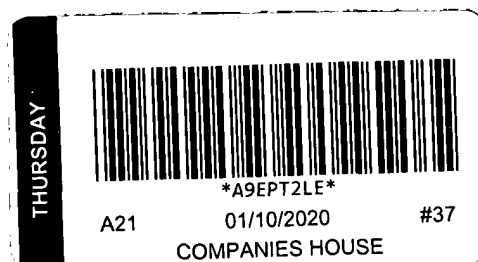


REGISTERED NUMBER: 10046708 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020
FOR
HUDSON CONTRACT LIMITED**



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FOR THE YEAR ENDED 5 APRIL 2020**

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HUDSON CONTRACT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 5 APRIL 2020

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

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

The directors present their strategic report of the company and the group for the year ended 5 April 2020.

REVIEW OF BUSINESS

The results for the period and financial position of the company and 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 year was £14,088,248 (2019 : £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 company's and 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 30 March 2018, Hudson Contract Limited commenced trading to enhance compliance with Onshore Employment Intermediaries legislation. Hudson Contract Limited continues to undertake full and comprehensive reviews of all operatives in order to maintain compliance. Hudson Contract Limited continues to monitor this and any further reviews are completed as and when the company feels it is necessary.

In line with many businesses in the United Kingdom, as at the time of reporting, by far the greatest material uncertainty facing the business is the global COVID-19 pandemic and the resulting financial impact on the business. From 20 March 2020, upon government instructions many businesses temporarily closed which resulted in the group's clients in the construction industry seeing a temporary halt to their services or a downturn in trade. The construction industry continued to trade at some level throughout this period and is now back working at near to pre COVID-19 levels.

Despite a short term fall in demand, the company's and group's direct costs also fell proportionally. The directors' took steps to reduce their fixed overheads and conserve cash flow and the company and group has remained in a strong financial position whilst the construction industry returned to close to normal levels of trade. The company and group has healthy cash balances and reserves which helped support this period of reduced turnover.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

SECTION 172(1) STATEMENT

The Board of Directors of Hudson Contract Limited consider, both individually and collectively, that they have acted in good faith in all business transactions, to promote the success of the company and group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) during the year ended 5 April 2020.

Our purpose and strategy has remained consistent since the company and group commenced trading, with our aim of offering a flexible workforce to contractors within the construction industry.

The company and group will continue to operate within the strict rules imposed by HMRC through the Construction Industry Scheme and help our clients engage with operatives, whilst remaining compliant with specific industry regulations.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay, working conditions and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we conduct business.

Our duty, is to help clients keep up to date with the changing rules and regulations which govern the construction sector, by monitoring legislation and providing a framework for them to engage with operatives. We also aim to act responsibly and fairly in how we engage with our suppliers, subcontractors and regulatory bodies, all of whom are integral to the successful delivery of our plan.

Our plan considers the impact of the company's and group's operations on the community and environment and our wider societal responsibilities, including how we impact the local community in which we are based.

As a Board of Directors, our intention is to behave responsibly and ensure that management and employees operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected by our sector. Our intention is to promote and nurture our reputation, through the application and delivery of our plan, that reflects our responsible behaviour.

As a Board of Directors, our intention is to behave responsibly toward our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

FUTURE DEVELOPMENTS

The impact of COVID-19 in the forthcoming year means the group will only continue to grow as the construction industry returns to its normal level of trading. The directors plan to ensure the company remains as one of the leading construction labour providers.

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.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2020**

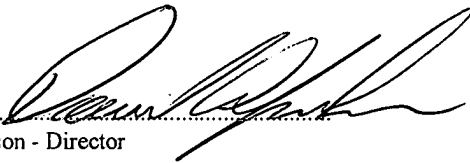
ENVIRONMENTAL AND SOCIAL ISSUES

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: 16.9.2020.....

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2020**

The directors present their report with the financial statements of the company and the group for the year ended 5 April 2020.

PRINCIPAL ACTIVITY

The principal activity of the group in the year 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 year ended 5 April 2020 will be £8,551,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 6 April 2019 to the date of this report.

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

CARBON ENERGY REPORTING

The group has used the following amounts of energy for the year ended 05.04.2020:

	2020 t CO2	2020 kWh
Direct emissions		
Combustion of gas and use of fuel for transport	82.1	338,073
Indirect emissions		
Purchase of electricity	25.0	112,742

The group used 9.7t CO2 per employee and 0.1t CO2 per £1m revenue.

The information above has been calculated based upon energy purchase invoices which have been converted into t CO2 and kWh using government provided conversion tables.

In the year, the group has converted some of the employee vehicles to electric and have installed electric charging points at their premises to make kWh savings in energy consumption going forward. The group is looking to make improvements to the offices during the coming financial year to make further kWh savings in energy consumption in the future.

ENGAGEMENT WITH EMPLOYEES

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

The group ensures that it's 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2020**

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The company and group looks to maintain high levels of client satisfaction through regular and open lines of communication as well as through client satisfaction surveys through which they analyse client feedback and make improvements, where necessary.

The company and group focuses on the construction sector and ensures that they keep up to date with any changes in legislation and provide the necessary support to their clients. The company and group makes a fixed charge per operative supplied, which is pre-agreed to ensure that there is a clear and transparent cost structure to the client, based on the level of service required.

The ability of the company and group to comply with appropriate regulation and maintain high standards of business conduct is a vital part of their service.

The company and group has put in place appropriate security measures to prevent breaches of personal data under current GDPR legislation, whether caused by loss, or use in an unauthorised manner.

The company and group has an experienced sales team and processing staff, which regularly engages with the clients and operatives, based on their individual needs.

The company and group looks to maintain good working relationships with its suppliers and operatives by paying invoices and making payments promptly and within the agreed payment terms. Outstanding invoices are monitored by the directors, on a regular basis to ensure this procedure is followed.

The company and group looks to support the local community through sponsorship of various grass roots activities that engage a variety of audiences.

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.

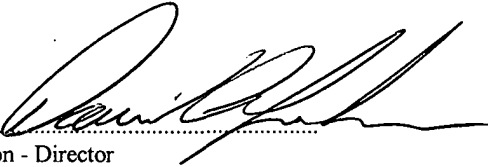
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements 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 YEAR ENDED 5 APRIL 2020**

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: 16.9.2020
.....

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 year ended 5 April 2020 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 2020 and of the group's 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 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 note 20 to the accounts and the uncertainty of a successful grant claim as described in note 22 to the accounts 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 six, 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: 20 September 2020

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 5 APRIL 2020**

		Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
	Notes		
TURNOVER		1,381,567,064	1,279,044,986
Cost of sales		1,367,478,816	1,265,472,758
GROSS PROFIT		14,088,248	13,572,228
Administrative expenses		4,121,439	3,866,181
		9,966,809	9,706,047
Other operating income		795,000	136,250
Gain/loss on revaluation of investment property		-	(31,880)
OPERATING PROFIT	4	10,761,809	9,810,417
Interest receivable and similar income		347,385	368,209
		11,109,194	10,178,626
Interest payable and similar expenses	5	392	6,033
PROFIT BEFORE TAXATION		11,108,802	10,172,593
Tax on profit	6	2,110,670	1,941,591
PROFIT FOR THE FINANCIAL YEAR		8,998,132	8,231,002
Profit attributable to: Owners of the parent		8,998,132	8,231,002

The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2020**

	Notes	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
PROFIT FOR THE YEAR		8,998,132	8,231,002
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,998,132</u>	<u>8,231,002</u>
Total comprehensive income attributable to: Owners of the parent		<u>8,998,132</u>	<u>8,231,002</u>

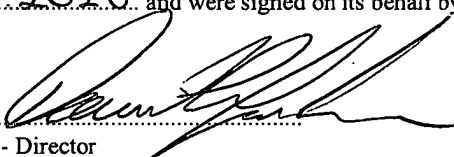
The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED BALANCE SHEET
5 APRIL 2020**

	Notes	5.4.20 £	5.4.19 £
FIXED ASSETS			
Tangible assets	9	302,706	238,924
Investments	10	-	-
Investment property	11	-	28,120
		<u>302,706</u>	<u>267,044</u>
CURRENT ASSETS			
Debtors	12	830,839	147,628
Cash at bank		69,294,631	75,843,930
		<u>70,125,470</u>	<u>75,991,558</u>
CREDITORS			
Amounts falling due within one year	13	69,106,027	75,438,673
NET CURRENT ASSETS		<u>1,019,443</u>	<u>552,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,322,149</u>	<u>819,929</u>
CREDITORS			
Amounts falling due after more than one year	14	(50,000)	-
PROVISIONS FOR LIABILITIES	17	(5,088)	-
NET ASSETS		<u><u>1,267,061</u></u>	<u><u>819,929</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000,120	1,000,120
Retained earnings	19	266,941	(180,191)
SHAREHOLDERS' FUNDS		<u><u>1,267,061</u></u>	<u><u>819,929</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 16.9.2020 and were signed on its behalf by:


D C Jackson - Director


L A Jackson - Director

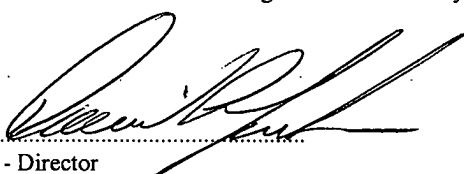
The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**COMPANY BALANCE SHEET
5 APRIL 2020**

	Notes	5.4.20 £	5.4.19 £
FIXED ASSETS			
Tangible assets	9	302,280	232,101
Investments	10	383,332	1,000,010
Investment property	11	-	-
		<u>685,612</u>	<u>1,232,111</u>
CURRENT ASSETS			
Debtors	12	824,464	147,278
Cash at bank		68,955,523	75,442,229
		<u>69,779,987</u>	<u>75,589,507</u>
CREDITORS			
Amounts falling due within one year	13	69,193,878	75,814,911
		<u>69,193,878</u>	<u>75,814,911</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>586,109</u>	<u>(225,404)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,271,721</u>	<u>1,006,707</u>
PROVISIONS FOR LIABILITIES	17	5,088	-
NET ASSETS		<u>1,266,633</u>	<u>1,006,707</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000,120	1,000,120
Retained earnings	19	266,513	6,587
SHAREHOLDERS' FUNDS		<u>1,266,633</u>	<u>1,006,707</u>
Company's profit for the financial year		<u>8,810,926</u>	<u>8,537,587</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16.9.2020 and were signed on its behalf by:


D C Jackson - Director

The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2020**

	Called up share capital £	Retained earnings £	Non distributable reserve £	Total equity £
Balance at 30 March 2018	1,000,120	105,066	14,741	1,119,927
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>
Changes in equity				
Dividends	-	(8,551,000)	-	(8,551,000)
Total comprehensive income	-	8,998,132	-	8,998,132
Balance at 5 April 2020	<u><u>1,000,120</u></u>	<u><u>266,941</u></u>	<u><u>-</u></u>	<u><u>1,267,061</u></u>

The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 30 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	<u>1,000,120</u>	<u>6,587</u>	<u>1,006,707</u>
Changes in equity			
Dividends	-	(8,551,000)	(8,551,000)
Total comprehensive income	-	8,810,926	8,810,926
Balance at 5 April 2020	<u>1,000,120</u>	<u>266,513</u>	<u>1,266,633</u>

The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2020**

		Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Cash flows from operating activities			
Cash generated from operations	1	2,937,206	4,326,555
Interest paid		(392)	(6,033)
Tax paid		(2,913,637)	(935,561)
Net cash from operating activities		23,177	3,384,961
Cash flows from investing activities			
Purchase of tangible fixed assets		(228,845)	(166,157)
Sale of tangible fixed assets		64,000	17,000
Sale of investment property		27,770	-
Interest received		347,385	368,209
Net cash from investing activities		210,310	219,052
Cash flows from financing activities			
Advance to / from associated companies		1,700,432	20,846,701
Amount introduced by directors		67,782	2,278
Equity dividends paid		(8,551,000)	(8,531,000)
Net cash from financing activities		(6,782,786)	12,317,979
(Decrease)/increase in cash and cash equivalents		(6,549,299)	15,921,992
Cash and cash equivalents at beginning of year	2	75,843,930	59,921,938
Cash and cash equivalents at end of year	2	69,294,631	75,843,930

The notes form part of these financial statements

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2020**

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

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Profit before taxation	11,108,802	10,172,593
Depreciation charges	85,819	66,541
Loss/(profit) on disposal of fixed assets	15,594	(2,478)
Loss on revaluation of fixed assets	-	31,880
Finance costs	392	6,033
Finance income	(347,385)	(368,209)
	10,863,222	9,906,360
(Increase)/decrease in trade and other debtors	(799,015)	326,839
Decrease in trade and other creditors	(7,127,001)	(5,906,644)
Cash generated from operations	2,937,206	4,326,555

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:

Year ended 5 April 2020

	5.4.20 £	6.4.19 £
Cash and cash equivalents	69,294,631	75,843,930

Period ended 5 April 2019

	5.4.19 £	30.3.18 £
Cash and cash equivalents	75,843,930	59,921,938

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.19 £	Cash flow £	At 5.4.20 £
Net cash			
Cash at bank	75,843,930	(6,549,299)	69,294,631
	75,843,930	(6,549,299)	69,294,631
Total	75,843,930	(6,549,299)	69,294,631

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2020

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.

Going concern and material uncertainty

The financial statements have been prepared on the going concern basis of accounting, which assumes that the group is able to continue operating as a going concern.

As explained in the Strategic Report, as at the date of approval of the financial statements the group is facing a material uncertainty due to the COVID-19 pandemic, and the resultant further possible interruption to the group's operations. The group took decisive action during the first wave of lockdown and remains in a strong position which will ensure it remains as a going concern should there be further impact on the construction industry.

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.

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year 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.

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 year end and that are expected to apply to the reversal of the timing difference.

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

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

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Wages and salaries	1,133,088	999,791
Social security costs	152,716	132,604
Other pension costs	11,404	6,915
	<u>1,297,208</u>	<u>1,139,310</u>

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

	Year ended 5.4.20	Period 30.3.18 to 5.4.19
Directors	4	4
Administration staff	7	5
	<u>11</u>	<u>9</u>

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

3. EMPLOYEES AND DIRECTORS - continued

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Directors' remuneration	<u>717,507</u>	<u>704,729</u>

Information regarding the highest paid director is as follows:

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Emoluments etc	<u>226,847</u>	<u>224,769</u>

4. OPERATING PROFIT

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

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Depreciation - owned assets	85,819	66,542
Loss/(profit) on disposal of fixed assets	15,594	(2,478)
Auditors' remuneration	13,700	13,050
Other non- audit services	<u>71,131</u>	<u>48,883</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Corporation tax interest	<u>392</u>	<u>6,033</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020

6. TAXATION

Analysis of the tax charge

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

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Current tax:		
UK corporation tax	2,105,582	1,941,591
Deferred tax	5,088	-
Tax on profit	<u>2,110,670</u>	<u>1,941,591</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Profit before tax	<u>11,108,802</u>	<u>10,172,593</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,110,672	1,932,793
Effects of:		
Expenses not deductible for tax purposes	1,929	6,057
Capital allowances in excess of depreciation	(7,399)	-
Depreciation in excess of capital allowances	-	2,741
Deferred taxation	5,088	-
Chargeable gain	380	-
Total tax charge	<u>2,110,670</u>	<u>1,941,591</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.

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

8. DIVIDENDS

	Year ended 5.4.20 £	Period 30.3.18 to 5.4.19 £
Ordinary shares of £1 each		
Interim	8,000,000	6,400,000
Ordinary A shares of £1 each		
Interim	231,000	231,000
Ordinary B shares of £1 each		
Interim	320,000	300,000
Ordinary C shares of £1 each		
Interim	-	1,600,000
	<u>8,551,000</u>	<u>8,531,000</u>

9. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 6 April 2019	7,965	252,151	121,231	381,347
Additions	28,747	185,801	14,297	228,845
Disposals	-	(131,837)	-	(131,837)
At 5 April 2020	<u>36,712</u>	<u>306,115</u>	<u>135,528</u>	<u>478,355</u>
DEPRECIATION				
At 6 April 2019	1,195	82,671	58,557	142,423
Charge for year	5,327	69,010	11,482	85,819
Eliminated on disposal	-	(52,593)	-	(52,593)
At 5 April 2020	<u>6,522</u>	<u>99,088</u>	<u>70,039</u>	<u>175,649</u>
NET BOOK VALUE				
At 5 April 2020	<u>30,190</u>	<u>207,027</u>	<u>65,489</u>	<u>302,706</u>
At 5 April 2019	<u>6,770</u>	<u>169,480</u>	<u>62,674</u>	<u>238,924</u>

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

9. TANGIBLE FIXED ASSETS - continued

Company	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 6 April 2019	7,965	217,445	73,232	298,642
Additions	28,747	185,802	14,297	228,846
Disposals	-	(97,131)	-	(97,131)
At 5 April 2020	36,712	306,116	87,529	430,357
DEPRECIATION				
At 6 April 2019	1,195	54,361	10,985	66,541
Charge for year	5,327	69,010	11,482	85,819
Eliminated on disposal	-	(24,283)	-	(24,283)
At 5 April 2020	6,522	99,088	22,467	128,077
NET BOOK VALUE				
At 5 April 2020	30,190	207,028	65,062	302,280
At 5 April 2019	6,770	163,084	62,247	232,101

10. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 6 April 2019	1,000,010
Impairments	(616,678)
At 5 April 2020	383,332
NET BOOK VALUE	
At 5 April 2020	383,332
At 5 April 2019	1,000,010

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

10. FIXED ASSET INVESTMENTS - continued

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

	%		
Class of shares:	holding		
Ordinary £1	100.00		
Ordinary A, B and C	100.00		
		5.4.20	5.4.19
		£	£
Aggregate capital and reserves		383,332	806,408
Loss for the year/period		(423,076)	(304,813)

11. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 6 April 2019	28,120
Disposals	(28,120)
At 5 April 2020	-
NET BOOK VALUE	
At 5 April 2020	-
At 5 April 2019	28,120

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	5.4.20	5.4.19	5.4.20	5.4.19
	£	£	£	£
Trade debtors	1,833	5,926	1,833	5,926
Amounts owed by associates	-	115,804	-	115,804
Prepayments and accrued income	829,006	25,898	822,631	25,548
	830,839	147,628	824,464	147,278

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	5.4.20	5.4.19	5.4.20	5.4.19
	£	£	£	£
Trade creditors	17,656	16,713	11,657	16,713
Amounts owed to group undertakings	-	-	81,976	82,166
Amounts owed to associates	22,547,133	20,962,505	22,547,133	20,963,005
Corporation tax	1,133,415	1,941,470	1,133,537	1,941,591
Social security and other taxes	52,608	41,494	52,608	41,494
VAT	43,908,067	50,839,911	43,946,667	51,144,863
Payments in advance	1,116,855	1,346,399	1,116,855	1,346,399
Directors' current accounts	222,652	204,870	220,450	202,668
Accrued expenses	107,641	85,311	82,995	76,012
	<u>69,106,027</u>	<u>75,438,673</u>	<u>69,193,878</u>	<u>75,814,911</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	5.4.20	5.4.19
	£	£
Directors' debenture	<u>50,000</u>	<u>-</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	5.4.20	5.4.19
	£	£
Within one year	78,486	39,264
Between one and five years	205,000	-
	<u>283,486</u>	<u>39,264</u>

Company

	Non-cancellable operating leases	
	5.4.20	5.4.19
	£	£
Within one year	78,486	39,264
Between one and five years	205,000	-
	<u>283,486</u>	<u>39,264</u>

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	5.4.20	5.4.19
	£	£
Directors' debenture	50,000	-

The Directors' debenture is secured by fixed and floating charges over the assets of subsidiary, Hudson Contract Services Limited.

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	5.4.20	5.4.19	5.4.20	5.4.19
	£	£	£	£
Deferred tax	5,088	-	5,088	-

Group				Deferred tax
				£
Provided during year				5,088
Balance at 5 April 2020				5,088

Company				Deferred tax
				£
Provided during year				5,088
Balance at 5 April 2020				5,088

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			5.4.19	29.3.18
Number:	Class:	Nominal value:	£	£
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
			1,000,120	1,000,120

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

19. RESERVES

Group

	Retained earnings £
At 6 April 2019	(180,191)
Profit for the year	8,998,132
Dividends	(8,551,000)
At 5 April 2020	266,941

Company

	Retained earnings £
At 6 April 2019	6,587
Profit for the year	8,810,926
Dividends	(8,551,000)
At 5 April 2020	266,513

20. CONTINGENT LIABILITIES

The CITB have issued 3 levy assessments to subsidiary, Hudson Contract Services Limited for the tax years 2015/16, 2016/17 and 2017/18 which total £27,403,993. Hudson Contract Services Limited have been in dispute with the CITB over these assessments since 7 March 2017, when the first levy was issued. The company has appealed these assessments through the courts with the last hearing in January 2020 in the High Court, which found in favour of the CITB. The company is seeking permission to appeal this to the Supreme Court. As detailed below in note 22, Hudson Contract Services Limited has a counterclaim with the CITB in respect of entitlement to grant.

21. CAPITAL COMMITMENTS

	5.4.20 £	5.4.19 £
Contracted but not provided for in the financial statements	38,001	70,044

22. CONTINGENT ASSETS

As referred to in the contingent liability note above, subsidiary, Hudson Contract Services Limited has made a grant claim to the CITB for the years 2015/16, 2016/17 and 2017/18, to the value of £28,066,435. The company is awaiting a response from the CITB in respect of these claims.

23. RELATED PARTY DISCLOSURES

During the year, total dividends of £8,452,000 (2019 - £6,832,000) were paid to the directors.

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2020**

23. RELATED PARTY DISCLOSURES - continued

During the financial period to 5 April 2020 the group entered into transactions under the normal course of trading with Hudson CIS (Guernsey) Limited and Hudson CIS (GB) Limited. D C Jackson is the ultimate controlling party of all of these associated companies. As at 5 April 2020 amounts owed to related parties were as follows:

	£
Hudson CIS (Guernsey) Limited	22,547,133

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

During the year, a total of key management personnel compensation of £599,960 (2019 - £599,960) was paid.

24. ULTIMATE CONTROLLING PARTY

The controlling party is D C Jackson.