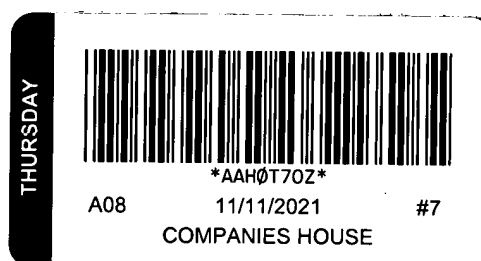


REGISTERED NUMBER: 10046708 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021
FOR
HUDSON CONTRACT LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

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HUDSON CONTRACT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 5 APRIL 2021

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 YEAR ENDED 5 APRIL 2021**

The directors present their strategic report of the company and the group for the year ended 5 April 2021.

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 and company's trade is directly linked with the construction industry and considers gross profit and net assets to be its key financial performance indicators. The gross profit for the year was £11,477,766 (2020 : £14,088,248) and net assets at the end of the year of £2,233,616 (2020 : £1,267,061). The group and company remain as the leading provider in their 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 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 company's customers in the construction industry seeing a temporary halt to their services or a downturn in trade. Further restrictions were in place in late 2020 and early 2021 but the construction industry continued to trade at some level throughout this periods and is now back working at pre COVID-19 levels.

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

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2021**

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 2021.

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 group and company 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 group's and company'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 and company will only continue to grow as the construction industry returns to its normal level of trading. The directors plan to ensure the group and 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 2021**

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: 3.11.2021.....

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2021**

The directors present their report with the financial statements of the company and the group for the year ended 5 April 2021.

PRINCIPAL ACTIVITY

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

DIVIDENDS

The total distribution of dividends for the year ended 5 April 2021 will be £6,102,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 6 April 2020 to the date of this report.

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

ENGAGEMENT WITH 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.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

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

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

STREAMLINED ENERGY AND CARBON REPORTING

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 6 April 2020 to 5 April 2021, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2021**

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting (March 2019)', using BEIS 2020 conversion factors. In some cases consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period, the group has focused on reducing their travel to minimise greenhouse gas emissions.

The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

	6 April 2020 -5 April 2021	6 April 2019 -5 April 2020
Total Energy Consumption - used for Emissions Calculation (kWh)	221,843	450,815
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	8.3	9.4
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	16.5	15.6
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	26.7	82.2
Total Gross Reported Emissions (tCO ₂ e)	51.4	107.2
Turnover (£m)	1,134	1,382
Intensity Ratio: Turnover (tCO ₂ e / £m)	0.0	0.1

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with Section 414C (11) of the Companies Act 2006, the group has chosen to report details concerning financial instruments and future developments within the strategic report.

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.

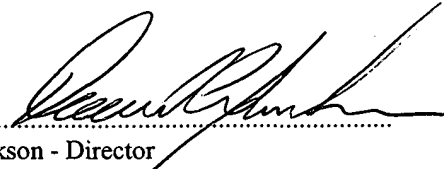
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements 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 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the 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: 3.11.2021

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

Qualified 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 2021 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Balance Sheet, Company Balance Sheet, 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, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 5 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

As set out in note 5 to the financial statements, accrued income of £8,464,230 has been recognised in respect of a CITB grant claim for the tax year 2015/16 by the subsidiary Knot Builders Ltd. However, unlike the CITB levy of £7,964,584, which has been finalised and agreed as payable, the grant claim is now subject to judicial review to ensure all aspects of the claim are taken into consideration. The actual claim and level of entitlement to grant has not yet been finalised by the CITB. At 5 April 2021, therefore, the grant claim represented a contingent asset and, in accordance with FRS 102, this should not be recognised as accrued income in the financial statements but simply disclosed in the notes.

The effect of the adjustments necessary as a result of the above matter would be to reduce the reported profit of the group for the year of £7,068,555 to a group loss of £1,395,675, and to reduce reported net group assets as at 5 April 2021 from £2,233,616 to net liabilities of £4,622,410.

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 and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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.

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.

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

Auditors' responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and company operates in, including whether the company is complying with those legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are tax compliance regulations. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with relevant tax authorities and evaluating advice received from third party advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, data protection and employment laws. We performed audit procedures to inquire of management whether the group and company is in compliance with these laws.

The audit engagement team identified the risk of management override of controls and the risk of fraud in revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to;

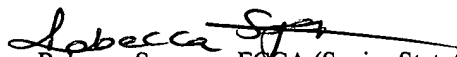
- testing material journal entries throughout the year and evaluating their business rationale;
- reviewing key controls and account reconciliations;
- testing material bank transactions for business rationale; and
- on a sample basis, reviewing authorisation procedures of business expenditure, including review of supporting documentation.

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

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

Use of our report

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



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: 08 November 2021

**CONSOLIDATED
STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 5 APRIL 2021**

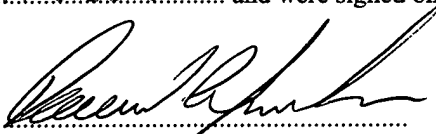
	Notes	5.4.21 £	5.4.20 £
TURNOVER		1,134,072,878	1,381,567,064
Cost of sales		<u>1,122,595,112</u>	<u>1,367,478,816</u>
GROSS PROFIT		11,477,766	14,088,248
Administrative expenses		<u>11,347,873</u>	<u>4,121,439</u>
		129,893	9,966,809
Other operating income		<u>8,604,230</u>	<u>795,000</u>
OPERATING PROFIT	4	8,734,123	10,761,809
Interest receivable and similar income		<u>429</u>	<u>347,385</u>
		8,734,552	11,109,194
Interest payable and similar expenses	6	<u>627</u>	<u>392</u>
PROFIT BEFORE TAXATION		8,733,925	11,108,802
Tax on profit	7	<u>1,665,370</u>	<u>2,110,670</u>
PROFIT FOR THE FINANCIAL YEAR		7,068,555	8,998,132
Retained earnings at beginning of year		266,941	(180,191)
Dividends	9	(6,102,000)	(8,551,000)
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR		<u>1,233,496</u>	<u>266,941</u>
Profit attributable to: Owners of the parent		<u>7,068,555</u>	<u>8,998,132</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
5 APRIL 2021

	Notes	5.4.21 £	5.4.20 £
FIXED ASSETS			
Tangible assets	10	248,734	302,706
Investments	11	-	-
		<u>248,734</u>	<u>302,706</u>
CURRENT ASSETS			
Debtors	12	8,780,618	830,839
Cash at bank		48,528,225	69,294,631
		<u>57,308,843</u>	<u>70,125,470</u>
CREDITORS			
Amounts falling due within one year	13	47,309,377	69,106,027
NET CURRENT ASSETS		<u>9,999,466</u>	<u>1,019,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,248,200</u>	<u>1,322,149</u>
CREDITORS			
Amounts falling due after more than one year	14	(8,014,584)	(50,000)
PROVISIONS FOR LIABILITIES	17	-	(5,088)
NET ASSETS		<u><u>2,233,616</u></u>	<u><u>1,267,061</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000,120	1,000,120
Retained earnings	19	1,233,496	266,941
SHAREHOLDERS' FUNDS		<u><u>2,233,616</u></u>	<u><u>1,267,061</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 3.11.2021 and were signed on its behalf by:


D C Jackson - Director

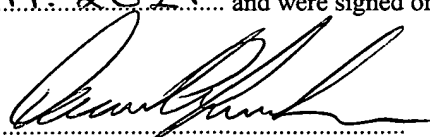

L A Jackson - Director

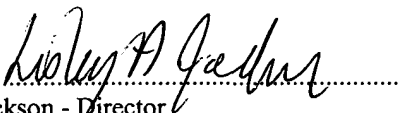
HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**COMPANY BALANCE SHEET
5 APRIL 2021**

	Notes	5.4.21 £	5.4.20 £
FIXED ASSETS			
Tangible assets	10	248,308	302,280
Investments	11	-	383,332
		<u>248,308</u>	<u>685,612</u>
CURRENT ASSETS			
Debtors	12	316,388	824,464
Cash at bank		48,358,487	68,955,523
		<u>48,674,875</u>	<u>69,779,987</u>
CREDITORS			
Amounts falling due within one year	13	47,252,849	69,193,878
NET CURRENT ASSETS		<u>1,422,026</u>	<u>586,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,670,334</u>	<u>1,271,721</u>
PROVISIONS FOR LIABILITIES	17	-	5,088
NET ASSETS		<u><u>1,670,334</u></u>	<u><u>1,266,633</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000,120	1,000,120
Retained earnings	19	670,214	266,513
SHAREHOLDERS' FUNDS		<u><u>1,670,334</u></u>	<u><u>1,266,633</u></u>
 Company's profit for the financial year		 <u><u>6,505,701</u></u>	 <u><u>8,810,926</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 3.11.2021 and were signed on its behalf by:


D C Jackson - Director


L A Jackson - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021**

	Notes	5.4.21 £	5.4.20 £
Cash flows from operating activities			
Cash generated from operations	1	(10,526,558)	2,937,206
Interest paid		(627)	(392)
Tax paid		(1,953,415)	(2,913,637)
Net cash from operating activities		<u>(12,480,600)</u>	<u>23,177</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(38,316)	(228,845)
Sale of tangible fixed assets		18,900	64,000
Sale of investment property		-	27,770
Interest received		429	347,385
Net cash from investing activities		<u>(18,987)</u>	<u>210,310</u>
Cash flows from financing activities			
Advance to / from associated companies		(2,165,775)	1,700,432
Amount introduced by directors		956	67,782
Equity dividends paid		(6,102,000)	(8,551,000)
Net cash from financing activities		<u>(8,266,819)</u>	<u>(6,782,786)</u>
Decrease in cash and cash equivalents		<u>(20,766,406)</u>	<u>(6,549,299)</u>
Cash and cash equivalents at beginning of year	2	69,294,631	75,843,930
Cash and cash equivalents at end of year	2	<u><u>48,528,225</u></u>	<u><u>69,294,631</u></u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021

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

	5.4.21 £	5.4.20 £
Profit before taxation	8,733,925	11,108,802
Depreciation charges	69,914	85,819
Loss on disposal of fixed assets	4,474	15,594
Finance costs	627	392
Finance income	(429)	(347,385)
	<u>8,808,511</u>	<u>10,863,222</u>
Increase in trade and other debtors	(7,950,779)	(799,015)
Decrease in trade and other creditors	(11,384,290)	(7,127,001)
	<u>(10,526,558)</u>	<u>2,937,206</u>
Cash generated from operations	(10,526,558)	2,937,206

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 2021

	5.4.21 £	6.4.20 £
Cash and cash equivalents	<u>48,528,225</u>	<u>69,294,631</u>

Year ended 5 April 2020

	5.4.20 £	6.4.19 £
Cash and cash equivalents	<u>69,294,631</u>	<u>75,843,930</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.20 £	Cash flow £	At 5.4.21 £
Net cash			
Cash at bank	<u>69,294,631</u>	<u>(20,766,406)</u>	<u>48,528,225</u>
	<u>69,294,631</u>	<u>(20,766,406)</u>	<u>48,528,225</u>
Total	<u>69,294,631</u>	<u>(20,766,406)</u>	<u>48,528,225</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021**

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

The subsidiary company is now liable for the 2015/16 CITB levy of £7,964,584. As disclosed in note 5 to the accounts the subsidiary company has also brought in a corresponding grant claim for the same period for £8,464,230. As the grant claim has not yet been agreed, as noted in the audit report, we consider that without this claim the accounts would indicate the group is not a going concern. Due to the fact that the levy will not be paid until the grant claim has been finalised and that the group continues to have the support of its directors and shareholders, the directors consider that the going concern basis of accounting remains appropriate.

As at the date of approval of the financial statements the UK is facing uncertainty due to the COVID-19 pandemic. Whilst the group and company saw a decline in trade during the first 3 months of the financial year, due to the enforced national lockdown, the group and company recovered in the second half of the year and was back at pre-COVID trading levels by 5 April 2021. This trading level has been maintained post year end. The construction industry is now stable, despite the continued presence of COVID-19 and the group and company remains in a strong financial position which will ensure it remains as a going concern.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

2. ACCOUNTING POLICIES - continued

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 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 income statement in the period to which they relate.

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

	5.4.21	5.4.20
	£	£
Wages and salaries	1,111,529	1,133,088
Social security costs	160,453	152,716
Other pension costs	12,309	11,404
	<u>1,284,291</u>	<u>1,297,208</u>

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

	5.4.21	5.4.20
Directors	4	4
Administration staff	6	7
	<u>10</u>	<u>11</u>

HUDSON CONTRACT LIMITED (REGISTERED NUMBER: 10046708)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021**

3. EMPLOYEES AND DIRECTORS - continued

	5.4.21	5.4.20
	£	£
Directors' remuneration	720,386	717,507

Information regarding the highest paid director is as follows:

	5.4.21	5.4.20
	£	£
Emoluments etc	227,280	226,847

4. OPERATING PROFIT

The operating profit is stated after charging:

	5.4.21	5.4.20
	£	£
Depreciation - owned assets	69,914	85,819
Loss on disposal of fixed assets	4,474	15,594
Auditors' remuneration	12,300	13,700
Other non- audit services	45,276	71,131

5. EXCEPTIONAL ITEMS

	5.4.21	5.4.20
	£	£
Exceptional item - CITB grant	8,464,230	-
Exceptional item - CITB levy	(7,964,584)	-
	499,646	-

Following a long running dispute with the Construction Industry Training Board (CITB), it has been confirmed by the courts that Knot Builders Ltd, a subsidiary company, was liable for the 2016 levy (£7.964m) following its registration with the CITB in February 2016. However, claims made by CITB for the 2017 levy onwards have been dropped. The dispute between Knot Builders Ltd and CITB has now moved onto calculating and agreeing how much of the 2016 levy should be offset by the CITB's grant scheme. CITB have confirmed that they would not seek to enforce collection of the levy liability until the offset is resolved. The position at the time of approval the accounts was that CITB had requested further information to validate parts of Knot Builders grant claim that could be worth approximately £8.464m, but had refused to consider other parts of Knot Builders Ltd claim that would allow it to achieve the desired outcome of a net zero position. Knot Builders Ltd has subsequently submitted an application for a Judicial Review to examine the CITB's decisions regarding refusal to parts of its claim, the level of information required when compared to the historic grant claims of other claimants, and the period to be considered to in scope of grant funding. Based on the papers submitted, the court will decide whether or not the dispute can go straight to Judicial Review. If the court denies permission on the papers, a permission hearing will be necessary, which would delay the outcome considerably. A backlog in the legal system caused by covid means that it is impossible to estimate when this decision regarding permission will be handed down, and therefore it is impossible to estimate when the matter may be resolved.

Since the last filed accounts, the CITB have confirmed that Hudson Contract Limited is out of scope and has no levy liabilities.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	5.4.21	5.4.20
	£	£
Corporation tax interest	627	392

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

7. TAXATION

Analysis of the tax charge

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

	5.4.21 £	5.4.20 £
Current tax:		
UK corporation tax	1,670,458	2,105,582
Deferred tax	(5,088)	5,088
Tax on profit	<u>1,665,370</u>	<u>2,110,670</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax charge included in profit and loss

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

	5.4.21 £	5.4.20 £
Profit before tax	<u>8,733,925</u>	<u>11,108,802</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,659,446	2,110,672
Effects of:		
Expenses not deductible for tax purposes	1,917	1,929
Capital allowances in excess of depreciation	-	(7,399)
Depreciation in excess of capital allowances	9,095	-
Deferred taxation	(5,088)	5,088
Chargeable gain	-	380
Total tax charge	<u>1,665,370</u>	<u>2,110,670</u>

8. 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.

9. DIVIDENDS

	5.4.21 £	5.4.20 £
Ordinary shares of £1 each		
Interim	5,117,900	8,000,000
Ordinary A shares of £1 each		
Interim	231,000	231,000
Ordinary B shares of £1 each		
Interim	753,100	320,000
	<u>6,102,000</u>	<u>8,551,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

10. TANGIBLE FIXED ASSETS

Group	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 6 April 2020	36,712	306,115	135,528	478,355
Additions	1,116	38,046	154	39,316
Disposals	(125)	(41,366)	-	(41,491)
At 5 April 2021	37,703	302,795	135,682	476,180
DEPRECIATION				
At 6 April 2020	6,522	99,088	70,039	175,649
Charge for year	4,680	55,452	9,782	69,914
Eliminated on disposal	(19)	(18,098)	-	(18,117)
At 5 April 2021	11,183	136,442	79,821	227,446
NET BOOK VALUE				
At 5 April 2021	26,520	166,353	55,861	248,734
At 5 April 2020	30,190	207,027	65,489	302,706
Company				
	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST				
At 6 April 2020	36,712	306,116	87,529	430,357
Additions	1,116	38,046	154	39,316
Disposals	(125)	(41,366)	-	(41,491)
At 5 April 2021	37,703	302,796	87,683	428,182
DEPRECIATION				
At 6 April 2020	6,522	99,088	22,467	128,077
Charge for year	4,680	55,452	9,782	69,914
Eliminated on disposal	(19)	(18,098)	-	(18,117)
At 5 April 2021	11,183	136,442	32,249	179,874
NET BOOK VALUE				
At 5 April 2021	26,520	166,354	55,434	248,308
At 5 April 2020	30,190	207,028	65,062	302,280

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 6 April 2020	383,332
Impairments	(383,332)
At 5 April 2021	-
NET BOOK VALUE	
At 5 April 2021	-
At 5 April 2020	383,332

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

Subsidiary

Knot Builders Ltd (formerly 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		
		5.4.21	5.4.20
		£	£
Aggregate capital and reserves		562,855	383,332
Profit/(loss) for the year		179,523	(423,076)

12. DEBTORS

	Group		Company	
	5.4.21	5.4.20	5.4.21	5.4.20
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	6,014	1,833	6,014	1,833
Prepayments and accrued income	310,374	829,006	310,374	822,631
	316,388	830,839	316,388	824,464
Amounts falling due after more than one year:				
Prepayments and accrued income	8,464,230	-	-	-
Aggregate amounts	8,780,618	830,839	316,388	824,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	5.4.21	5.4.20	5.4.21	5.4.20
	£	£	£	£
Trade creditors	12,945	17,656	12,947	11,657
Amounts owed to group undertakings	-	-	-	81,976
Amounts owed to associates	20,381,358	22,547,133	20,381,358	22,547,133
Corporation tax	850,458	1,133,415	805,981	1,133,537
Social security and other taxes	54,603	52,608	54,603	52,608
VAT	24,094,663	43,908,067	24,094,678	43,946,667
Payments in advance	1,589,381	1,116,855	1,589,381	1,116,855
Directors' current accounts	223,608	222,652	221,405	220,450
Accrued expenses	102,361	107,641	92,496	82,995
	<u>47,309,377</u>	<u>69,106,027</u>	<u>47,252,849</u>	<u>69,193,878</u>

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

	Group	
	5.4.21	5.4.20
	£	£
Other creditors	7,964,584	-
Directors' debenture	50,000	50,000
	<u>8,014,584</u>	<u>50,000</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Non-cancellable operating leases	
		5.4.21	5.4.20
		£	£
Within one year		78,486	78,486
Between one and five years		145,000	205,000
		<u>223,486</u>	<u>283,486</u>
Company		Non-cancellable operating leases	
		5.4.21	5.4.20
		£	£
Within one year		78,486	78,486
Between one and five years		145,000	205,000
		<u>223,486</u>	<u>283,486</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	5.4.21	5.4.20
	£	£
Directors' debenture	<u>50,000</u>	<u>50,000</u>

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

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	5.4.21	5.4.20	5.4.21	5.4.20
	£	£	£	£
Deferred tax	<u>-</u>	<u>5,088</u>	<u>-</u>	<u>5,088</u>
Group				
				Deferred tax
				£
Balance at 6 April 2020				5,088
Utilised during year				<u>(5,088)</u>
Balance at 5 April 2021				<u>-</u>
Company				
				Deferred tax
				£
Balance at 6 April 2020				5,088
Utilised during year				<u>(5,088)</u>
Balance at 5 April 2021				<u>-</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	5.4.21	5.4.20
			£	£
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>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2021

19. RESERVES

Group

	Retained earnings £
At 6 April 2020	266,941
Profit for the year	7,068,555
Dividends	(6,102,000)
	<u>1,233,496</u>
At 5 April 2021	<u>1,233,496</u>

Company

	Retained earnings £
At 6 April 2020	266,513
Profit for the year	6,505,701
Dividends	(6,102,000)
	<u>670,214</u>
At 5 April 2021	<u>670,214</u>

20. CAPITAL COMMITMENTS

	5.4.21 £	5.4.20 £
Contracted but not provided for in the financial statements	-	38,001

21. RELATED PARTY DISCLOSURES

During the year, total dividends of £6,003,000 (2020 - £8,452,000) were paid to the directors.

During the financial period to 5 April 2021 the group entered into transactions under the normal course of trading with Hudson CIS (Guernsey) Limited, Hudson Administration Services Limited, Hudson Blue Limited, Hudson Freelance Limited, Hudson Employment 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 2021 amounts owed to related parties were as follows:

	5.4.21 £	5.4.20 £
Hudson CIS (Guernsey) Limited	20,351,358	22,547,133
Hudson Blue Limited	30,000	-

During the year the group was invoiced £935,586,693 (2020 : £1,171,366,595) for supply of services from Hudson CIS (Guernsey) Limited. All transactions were on an arms length basis under normal market conditions.

During the year, a total of key management personnel compensation of £627,240 (2020 - £626,807) was paid.

22. ULTIMATE CONTROLLING PARTY

The controlling party is D C Jackson.