

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022
FOR
HUDSON CONTRACT LIMITED**

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FOR THE YEAR ENDED 5 APRIL 2022**

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HUDSON CONTRACT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 5 APRIL 2022

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

**STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2022**

The directors present their strategic report for the year ended 5 April 2022.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The 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 £13,309,940 (2021 : £11,477,766) and net assets at the end of the year of £1,686,269 (2021 : £1,670,334). The company remains the leading provider in its field.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the nature of the company'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.

Hudson Contract Limited business operations seek 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.

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 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 2022.

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

The 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 company's operations on the community and environment and our wider social 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 directors plan to ensure that the company remains as one of the leading construction labour providers.

**STRATEGIC REPORT
FOR THE YEAR ENDED 5 APRIL 2022**

FINANCIAL INSTRUMENTS

The company's main financial instruments comprise bank balances and trade creditors. The main function of these instruments is to maintain funds to finance the company's operations and minimise price, liquidity, credit and cash flow risks.

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

The company 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.

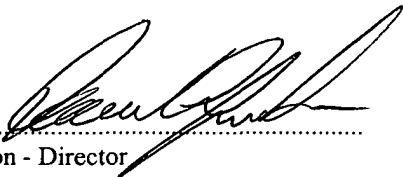
ENVIRONMENTAL AND SOCIAL ISSUES

The company 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 company considers has a minimal impact on the local environment.

The company 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: 14.9.22.....

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2022**

The directors present their report with the financial statements of the company for the year ended 5 April 2022.

PRINCIPAL ACTIVITY

The principal activity of the company 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 2022 will be £7,981,000.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 6 April 2021 to the date of this report.

The beneficial interests of the directors holding office at 5 April 2022 in the shares of the company, according to the register of directors' interests, were as follows:

	5.4.22	6.4.21
Ordinary shares of £1 each		
D C Jackson	510,051	510,051
L A Jackson	490,049	490,049
I S Anfield	-	-
D G W Bradley	-	-
Ordinary A shares of £1 each		
D C Jackson	-	-
L A Jackson	-	-
I S Anfield	8	8
D G W Bradley	-	-
Ordinary B shares of £1 each		
D C Jackson	-	-
L A Jackson	-	-
I S Anfield	2	2
D G W Bradley	-	-

These directors did not hold any beneficial interests in the Ordinary C shares of £1 each.

These directors did not hold any non-beneficial interests in any of the shares of the company.

ENGAGEMENT WITH EMPLOYEES

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

The company 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2022**

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

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

The company 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 looks 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 2021 to 5 April 2022, 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.

Our methodology to calculate our greenhouse gas emissions is based on the GHG Protocol, using BEIS 2021 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 company has focused on minimising travel where possible and using technology to interact with customers as well as investing in more electric and hybrid cars to reduce emissions from travel to help 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 2021 -5 April 2022	6 April 2020 -5 April 2021
Total Energy Consumption - used for Emissions		
Calculation (kWh)	295,064	221,843
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	8.5	8.3
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	12.7	16.5
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	44.0	26.7
Total Gross Reported Emissions (tCO ₂ e)	65.2	51.4
Turnover (£m)	1,395	1,134
Intensity Ratio: Turnover (tCO ₂ e / £m)	0.0	0.0

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 5 APRIL 2022**

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with Section 414C (11) of the Companies Act 2006, the company 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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

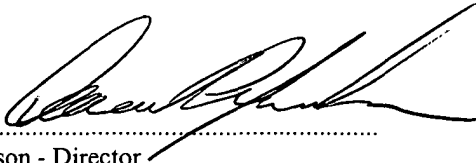
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company'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 company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



D C Jackson - Director

Date: 14.9.22

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

Opinion

We have audited the financial statements of Hudson Contract Limited (the 'company') for the year ended 5 April 2022 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the 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 company's affairs as at 5 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the 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.

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

Responsibilities of directors

As explained more fully in the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 our procedures are capable of detecting irregularities, including fraud is detailed below:

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 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 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;

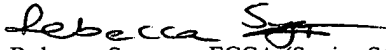
- testing material journal entries throughout the year and evaluating their business rationale;
- reviewing key controls and account reconciliations;
- testing material bank transactions for business rationale; and
- on a sample basis, reviewing authorisation procedures of business expenditure, including 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: 22 September 22

**STATEMENT OF INCOME AND
RETAINED EARNINGS
FOR THE YEAR ENDED 5 APRIL 2022**

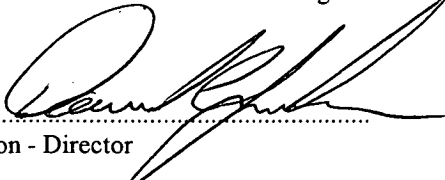
	Notes	5.4.22 £	5.4.21 £
TURNOVER		1,395,160,920	1,134,072,878
Cost of sales		1,381,850,980	1,122,595,112
GROSS PROFIT		13,309,940	11,477,766
Administrative expenses		3,478,097	3,107,587
		9,831,843	8,370,179
Other operating income		-	140,000
OPERATING PROFIT	4	9,831,843	8,510,179
Interest receivable and similar income		38,120	377
		9,869,963	8,510,556
Amounts written off investments	5	-	383,332
		9,869,963	8,127,224
Interest payable and similar expenses	6	-	630
PROFIT BEFORE TAXATION		9,869,963	8,126,594
Tax on profit	7	1,873,028	1,620,893
PROFIT FOR THE FINANCIAL YEAR		7,996,935	6,505,701
Retained earnings at beginning of year		670,214	266,513
Dividends	8	(7,981,000)	(6,102,000)
RETAINED EARNINGS AT END OF YEAR		686,149	670,214

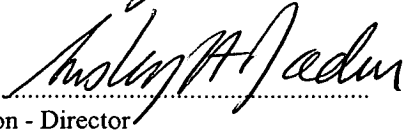
The notes form part of these financial statements

BALANCE SHEET
5 APRIL 2022

	Notes	5.4.22 £	5.4.21 £
FIXED ASSETS			
Tangible assets	9	242,489	248,308
Investments	10	-	-
		<u>242,489</u>	<u>248,308</u>
CURRENT ASSETS			
Debtors	11	42,896	316,388
Cash at bank		52,835,056	48,358,487
		<u>52,877,952</u>	<u>48,674,875</u>
CREDITORS			
Amounts falling due within one year	12	51,434,172	47,252,849
		<u>51,434,172</u>	<u>47,252,849</u>
NET CURRENT ASSETS		<u>1,443,780</u>	<u>1,422,026</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,686,269</u>	<u>1,670,334</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000,120	1,000,120
Retained earnings	15	686,149	670,214
		<u>1,686,269</u>	<u>1,670,334</u>
SHAREHOLDERS' FUNDS		<u>1,686,269</u>	<u>1,670,334</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14.9.22 and were signed on its behalf by:


D C Jackson - Director


L A Jackson - Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2022**

	Notes	5.4.22 £	5.4.21 £
Cash flows from operating activities			
Cash generated from operations	1	16,249,583	(10,275,034)
Interest paid		-	(630)
Tax paid		(1,706,084)	(1,953,537)
Net cash from operating activities		<u>14,543,499</u>	<u>(12,229,201)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,199)	(38,316)
Sale of tangible fixed assets		51,140	18,900
Interest received		38,120	377
Net cash from investing activities		<u>(14,939)</u>	<u>(19,039)</u>
Cash flows from financing activities			
Associated company loans		(2,072,280)	(2,247,751)
Amount introduced by directors		1,289	955
Equity dividends paid		(7,981,000)	(6,102,000)
Net cash from financing activities		<u>(10,051,991)</u>	<u>(8,348,796)</u>
Increase/(decrease) in cash and cash equivalents		<u>4,476,569</u>	<u>(20,597,036)</u>
Cash and cash equivalents at beginning of year	2	<u>48,358,487</u>	<u>68,955,523</u>
Cash and cash equivalents at end of year	2	<u><u>52,835,056</u></u>	<u><u>48,358,487</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2022

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

	5.4.22 £	5.4.21 £
Profit before taxation	9,869,963	8,126,594
Depreciation charges	69,903	69,914
(Profit)/loss on disposal of fixed assets	(11,025)	4,474
Impairment of investment in subsidiary	-	383,332
Finance costs	-	630
Finance income	(38,120)	(377)
	<u>9,890,721</u>	<u>8,584,567</u>
Decrease in trade and other debtors	274,362	507,076
Increase/(decrease) in trade and other creditors	<u>6,084,500</u>	<u>(19,366,677)</u>
Cash generated from operations	<u>16,249,583</u>	<u>(10,275,034)</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 5 April 2022

	5.4.22 £	6.4.21 £
Cash and cash equivalents	<u>52,835,056</u>	<u>48,358,487</u>

Year ended 5 April 2021

	5.4.21 £	6.4.20 £
Cash and cash equivalents	<u>48,358,487</u>	<u>68,955,523</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 6.4.21 £	Cash flow £	At 5.4.22 £
Net cash			
Cash at bank	<u>48,358,487</u>	<u>4,476,569</u>	<u>52,835,056</u>
	<u>48,358,487</u>	<u>4,476,569</u>	<u>52,835,056</u>
Total	<u>48,358,487</u>	<u>4,476,569</u>	<u>52,835,056</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2022

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

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.

Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Turnover

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

The company 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, fittings and equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 15% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at the lower of cost and fair value. Permanent impairments are taken to the statement of income and retained earnings.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 company 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

	5.4.22	5.4.21
	£	£
Wages and salaries	1,164,998	1,111,529
Social security costs	164,117	160,453
Other pension costs	14,549	12,309
	<u>1,343,664</u>	<u>1,284,291</u>

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

	5.4.22	5.4.21
Directors	4	4
Administration	6	6
	<u>10</u>	<u>10</u>

	5.4.22	5.4.21
	£	£
Directors' remuneration	<u>726,432</u>	<u>720,386</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

3. **EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	5.4.22	5.4.21
	£	£
Emoluments etc	<u>231,308</u>	<u>227,280</u>

4. **OPERATING PROFIT**

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

	5.4.22	5.4.21
	£	£
Depreciation - owned assets	69,903	69,914
(Profit)/loss on disposal of fixed assets	(11,025)	4,474
Auditors' remuneration	10,920	8,550
Other non- audit services	<u>46,802</u>	<u>41,443</u>

5. **AMOUNTS WRITTEN OFF INVESTMENTS**

	5.4.22	5.4.21
	£	£
Impairment of investment in subsidiary	<u>-</u>	<u>383,332</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	5.4.22	5.4.21
	£	£
Corporation tax interest	<u>-</u>	<u>630</u>

7. **TAXATION**

Analysis of the tax charge

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

	5.4.22	5.4.21
	£	£
Current tax:		
UK corporation tax	1,873,028	1,625,981
Deferred tax	-	(5,088)
Tax on profit	<u>1,873,028</u>	<u>1,620,893</u>

UK corporation tax has been charged at 19% (2021 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

7. TAXATION - continued

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:

	5.4.22 £	5.4.21 £
Profit before tax	9,869,963	8,126,594
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,875,293	1,544,053
Effects of:		
Expenses not deductible for tax purposes	-	72,833
Capital allowances in excess of depreciation	(2,265)	-
Depreciation in excess of capital allowances	-	9,095
Deferred tax	-	(5,088)
Total tax charge	1,873,028	1,620,893

8. DIVIDENDS

	5.4.22 £	5.4.21 £
Ordinary shares of £1 each		
Interim	6,320,000	5,117,900
Ordinary A shares of £1 each		
Interim	231,000	231,000
Ordinary B shares of £1 each		
Interim	1,430,000	753,100
	7,981,000	6,102,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £	Motor vehicles £	Office equipment £	Totals £
COST				
At 6 April 2021	37,703	302,796	87,683	428,182
Additions	-	104,199	-	104,199
Disposals	-	(91,053)	-	(91,053)
At 5 April 2022	37,703	315,942	87,683	441,328
DEPRECIATION				
At 6 April 2021	11,183	136,442	32,249	179,874
Charge for year	3,978	57,610	8,315	69,903
Eliminated on disposal	-	(50,938)	-	(50,938)
At 5 April 2022	15,161	143,114	40,564	198,839
NET BOOK VALUE				
At 5 April 2022	22,542	172,828	47,119	242,489
At 5 April 2021	26,520	166,354	55,434	248,308

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Disposals	(383,332)
Reversal of impairments	383,332
At 5 April 2022	-
NET BOOK VALUE	
At 5 April 2022	-

On 21 December 2021, the company disposed of its interest in Knot Builders Ltd.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.22 £	5.4.21 £
Trade debtors	3,231	6,014
Amounts owed by associates	870	-
Prepayments and accrued income	38,795	310,374
	42,896	316,388

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.22	5.4.21
	£	£
Trade creditors	18,844	12,947
Amounts owed to associates	18,309,948	20,381,358
Corporation tax	972,925	805,981
Social security and other taxes	58,458	54,603
VAT	26,528,983	24,094,678
Payments in advance	5,215,863	1,589,381
Directors' current accounts	222,694	221,405
Accrued expenses	106,457	92,496
	<u>51,434,172</u>	<u>47,252,849</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	5.4.22	5.4.21
	£	£
Within one year	83,514	78,486
Between one and five years	85,000	145,000
	<u>168,514</u>	<u>223,486</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	5.4.22	5.4.21
			£	£
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>

15. RESERVES

	Retained earnings £
At 6 April 2021	670,214
Profit for the year	7,996,935
Dividends	<u>(7,981,000)</u>
At 5 April 2022	<u>686,149</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 5 APRIL 2022

16. RELATED PARTY DISCLOSURES

During the financial period to 5 April 2022 the company entered into transactions with Hudson CIS (Guernsey) Limited, Hudson Employment Services Limited, Hudson Blue Limited, Knot Builders Ltd and Hudson CIS (GB) Limited. D C Jackson is the ultimate controlling party of these associated companies.

In addition the company received services from Lemonhouse Software Limited, a company under the control of L A Jackson.

A rent charge of £60,000, (2021 : £60,000) was incurred from Hudson Contract Retirement Benefit Scheme, a scheme set up for the benefit of D C and L A Jackson.

During the year, the company was invoiced £1,193,971,826 (2021 : £935,586,693) for supply of services from Hudson CIS (Guernsey) Limited, £176,782,170, (2021 : £154,684,556) from Hudson CIS (GB) Limited and £569,904, (2021: £410,882) from Lemonhouse Software Limited. Management charges of £45,000 (2021 : nil), £3,290, (2021 : £3,367) and nil (2021 : £25,000), were incurred from Knot Builders Ltd, Hudson Employment Services Limited and Hudson Blue Limited respectively.

As at 5 April 2022 amounts owed to related parties were as follows:

	5.4.22	5.4.21
	£	£
Hudson CIS (Guernsey) Limited	18,309,948	20,351,358
Hudson Blue Limited	-	30,000

In addition the company was owed £890 (2021 : nil) from Lemonhouse Software Limited.

All transactions were undertaken in the normal course of trade and on a commercial basis.

During the year, a total of key management personnel compensation of £710,403 (2021 - £706,396) was paid.

17. ULTIMATE CONTROLLING PARTY

The controlling party is D C Jackson.