

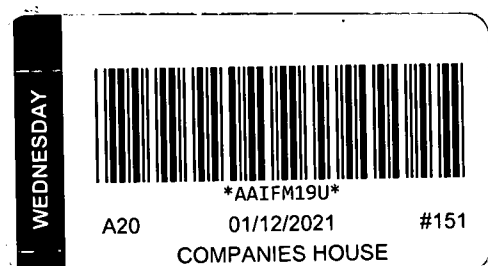
Registration number: 00430620

Smith & Sons (Bletchington) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2021

Wenn Townsend
Chartered Accountants and Statutory Auditor
30 St Giles'
Oxford
OX1 3LE



Smith & Sons (Bletchington) Limited

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Smith & Sons (Bletchington) Limited

Company Information

Directors A W Smith
S C Smith
C P G Gregan
R H Clemmey

Company secretary R H Clemmey

Registered office Enslow
Kidlington
Oxon
OX5 3AY

Solicitors Knights plc
Midland House
West Way
Botley
Oxford
OX2 0PH

Bankers Barclays Bank plc
Kidlington Branch
25 High Street
Kidlington
Oxon
OX5 2DH

Auditors Wenn Townsend
Chartered Accountants and Statutory Auditor
30 St Giles'
Oxford
OX1 3LE

Smith & Sons (Bletchington) Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the group is the extraction, processing, marketing and haulage of aggregates, including sand, gravel, crushed limestone and recycled aggregates, inert recovery operations, construction, farming and leisure fishing.

Fair review of the business

The Group has recorded another strong result for the period under review with a substantial increase in turnover and pre-tax profit. Gross profit as a percentage of sales has increased from 46% to 48% on the previous year, and overheads (indirect costs) have been controlled with an increase of 7.6% despite sales growth of 21% in the year.

The Group's cash at bank has increased by over £4.3m, with cash generated having financed £0.7m of capital expenditure in cash, £1.7m in financing plant and vehicles through hire purchase payments, £1.33m corporation tax and another substantial dividend to shareholders.

Despite the challenges in the past year, the strong performance of the Group is testament to the all the hard work and dedication displayed by our employees. The Group has followed Government guidelines to protect the health and safety of our employees and to maintain a Covid secure workplace. A small number of employees were furloughed during the Coronavirus Job Retention Scheme.

The Group was also awarded ISO 14001 accreditation in the period, displaying our commitment of maintaining and continually improving the high standards of environmental performance across our operations.

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£000	32,695	26,914
Gross profit	£000	15,830	12,328
Net profit before tax	£000	6,895	4,425
Net cash inflow from operating activities	£000	8,885	5,183
Net bank balance	£000	10,028	5,687
Total comprehensive income for the year	£000	5,565	3,378

Smith & Sons (Bletchington) Limited

Strategic Report for the Year Ended 31 March 2021


Principal risks and uncertainties

The main area of uncertainty the Group faces arises from the effect of both domestic and international issues on the wider economy and particularly, the construction industry. Some of these risks have recently been highlighted in the news, where the pace of recovery in the construction sector has been hindered by ongoing material supply and labour shortages.

However, with the Government's commitment to investment into major infrastructure projects and housing demand remaining buoyant, the demand for our products and services remains strong and the outlook continues to be positive.

Finally, the construction industry can be vulnerable to adverse weather, which slows down projects, demand and can affect our ability to produce the Group's products.

Approved by the Board on 27 September 2021 and signed on its behalf by:


.....
R H Clemmey
Director

Smith & Sons (Bletchington) Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the for, the year ended 31 March 2021.

Directors of the group

The directors who held office during the year were as follows:

D J Smith (resigned 24 June 2021)

A W Smith

S C Smith

C P G Gregan

R H Clemmey (appointed 1 July 2020)

Future developments

The Group's core strategy remains the development of the production, sale and distribution of primary and secondary aggregates.

The Directors will continue to evaluate and pursue opportunities in respect on the core activities as well as expanding the leisure fishing business where possible.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Wenn Townsend as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 27 September 2021 and signed on its behalf by:



.....
R H Clemmey
Director

Smith & Sons (Bletchington) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Smith & Sons (Bletchington) Limited

Independent Auditor's Report to the Members of Smith & Sons (Bletchington) Limited

Opinion

We have audited the financial statements of Smith & Sons (Bletchington) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and 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 the parent company's affairs as at 31 March 2021 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 Auditor's 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material 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.

Smith & Sons (Bletchington) Limited

Independent Auditor's Report to the Members of Smith & Sons (Bletchington) Limited

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 Strategic Report and the Directors' Report.

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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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.

Smith & Sons (Bletchington) Limited

Independent Auditor's Report to the Members of Smith & Sons (Bletchington) Limited

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

.....
Lee Baker FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles'
Oxford
OX1 3LE

27 September 2021

Smith & Sons (Bletchington) Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	32,694,753	26,914,456
Cost of sales		<u>(16,865,185)</u>	<u>(14,586,429)</u>
Gross profit		15,829,568	12,328,027
Distribution costs		(4,750,712)	(3,894,703)
Administrative expenses		(4,311,476)	(4,004,237)
Other operating income	4	<u>217,743</u>	<u>44,977</u>
Operating profit	6	<u>6,985,123</u>	<u>4,474,064</u>
Other interest receivable and similar income	7	2,183	30,912
Interest payable and similar charges	8	<u>(92,171)</u>	<u>(79,941)</u>
		<u>(89,988)</u>	<u>(49,029)</u>
Profit before tax		6,895,135	4,425,035
Taxation	12	<u>(1,330,382)</u>	<u>(1,047,025)</u>
Profit for the financial year		<u>5,564,753</u>	<u>3,378,010</u>
Profit/(loss) attributable to:			
Owners of the company		<u>5,564,753</u>	<u>3,378,010</u>

The group has no recognised gains or losses for the year other than the results above.

Smith & Sons (Bletchington) Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 31
March 2021**


	Note	2021 £	2020 £
Profit for the year		<u>5,564,753</u>	<u>3,378,010</u>
Total comprehensive income for the year		<u>5,564,753</u>	<u>3,378,010</u>
Total comprehensive income attributable to:			
Owners of the company		<u>5,564,753</u>	<u>3,378,010</u>

Smith & Sons (Bletchington) Limited

(Registration number: 00430620) Consolidated Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	7,634	7,634
Tangible assets	14	15,568,806	16,565,220
Investment property	15	<u>5,195,000</u>	<u>5,195,000</u>
		<u>20,771,440</u>	<u>21,767,854</u>
Current assets			
Stocks	17	1,502,632	1,852,270
Debtors	18	8,078,449	6,859,273
Cash at bank and in hand		<u>10,027,991</u>	<u>5,686,988</u>
		19,609,072	14,398,531
Creditors: Amounts falling due within one year	19	<u>(6,054,223)</u>	<u>(4,992,005)</u>
Net current assets		<u>13,554,849</u>	<u>9,406,526</u>
Total assets less current liabilities		34,326,289	31,174,380
Creditors: Amounts falling due after more than one year	19	(1,538,228)	(1,945,934)
Provisions for liabilities	20	<u>(2,218,078)</u>	<u>(1,973,216)</u>
Net assets		<u>30,569,983</u>	<u>27,255,230</u>
Capital and reserves			
Called up share capital	22	320,000	320,000
Other reserves		24,000	24,000
Profit and loss account	23	<u>30,225,983</u>	<u>26,911,230</u>
Equity attributable to owners of the company		<u>30,569,983</u>	<u>27,255,230</u>
Total equity		<u>30,569,983</u>	<u>27,255,230</u>

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:



.....

R H Clemmey
Director


Smith & Sons (Bletchington) Limited

(Registration number: 00430620)
Company Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	7,634	7,634
Tangible assets	14	15,068,684	16,086,063
Investment property	15	5,195,000	5,195,000
Investments	16	603,944	603,944
		<u>20,875,262</u>	<u>21,892,641</u>
Current assets			
Stocks	17	1,434,299	1,730,011
Debtors	18	7,984,909	6,790,478
Cash at bank and in hand		8,474,541	4,382,779
		<u>17,893,749</u>	<u>12,903,268</u>
Creditors: Amounts falling due within one year	19	<u>(5,829,928)</u>	<u>(4,801,435)</u>
Net current assets		<u>12,063,821</u>	<u>8,101,833</u>
Total assets less current liabilities		32,939,083	29,994,474
Creditors: Amounts falling due after more than one year	19	(1,538,228)	(1,945,934)
Provisions for liabilities	20	<u>(2,208,278)</u>	<u>(1,954,616)</u>
Net assets		<u>29,192,577</u>	<u>26,093,924</u>
Capital and reserves			
Called up share capital	22	320,000	320,000
Other reserves		24,000	24,000
Profit and loss account	23	<u>28,848,577</u>	<u>25,749,924</u>
Total equity		<u>29,192,577</u>	<u>26,093,924</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The company made a profit after tax for the financial year of £5,348,653 (2020 - profit of £3,255,577).

Approved and authorised by the Board on 27 September 2021 and signed on its behalf by:



 R H Clemmey
 Director

Smith & Sons (Bletchington) Limited

**Consolidated Statement of Changes in Equity for the Year Ended 31 March
2021**

Equity attributable to the parent company

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	320,000	24,000	26,911,230	27,255,230
Profit for the year	-	-	5,564,753	5,564,753
Total comprehensive income	-	-	5,564,753	5,564,753
Dividends	-	-	(2,250,000)	(2,250,000)
At 31 March 2021	320,000	24,000	30,225,983	30,569,983

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	320,000	24,000	25,283,220	25,627,220
Profit for the year	-	-	3,378,010	3,378,010
Total comprehensive income	-	-	3,378,010	3,378,010
Dividends	-	-	(1,750,000)	(1,750,000)
At 31 March 2020	320,000	24,000	26,911,230	27,255,230

Smith & Sons (Bletchington) Limited

Company Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	320,000	24,000	25,749,924	26,093,924
Profit for the year	-	-	5,348,653	5,348,653
Total comprehensive income	-	-	5,348,653	5,348,653
Dividends	-	-	(2,250,000)	(2,250,000)
At 31 March 2021	<u>320,000</u>	<u>24,000</u>	<u>28,848,577</u>	<u>29,192,577</u>

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	320,000	24,000	24,244,347	24,588,347
Profit for the year	-	-	3,255,577	3,255,577
Total comprehensive income	-	-	3,255,577	3,255,577
Dividends	-	-	(1,750,000)	(1,750,000)
At 31 March 2020	<u>320,000</u>	<u>24,000</u>	<u>25,749,924</u>	<u>26,093,924</u>

Smith & Sons (Bletchington) Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		5,564,753	3,378,010
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	2,529,985	2,475,860
Loss/(profit) on disposal of tangible assets	5	9,070	(107,133)
Finance income	7	(2,183)	(30,912)
Finance costs	8	92,171	79,941
Income tax expense	12	1,330,382	1,047,025
		<u>9,524,178</u>	<u>6,842,791</u>
Working capital adjustments			
Decrease/(increase) in stocks	17	349,638	(573,370)
Increase in debtors	18	(1,219,176)	(402,833)
Increase/(decrease) in creditors	19	681,283	(5,787)
Increase in provisions	20	503,866	203,420
		<u>9,839,789</u>	<u>6,064,221</u>
Cash generated from operations		9,839,789	6,064,221
Income taxes paid		<u>(954,360)</u>	<u>(881,138)</u>
Net cash flow from operating activities		<u>8,885,429</u>	<u>5,183,083</u>
Cash flows from investing activities			
Interest received		2,183	30,912
Acquisitions of tangible assets		(654,163)	(1,053,424)
Proceeds from sale of tangible assets		31,770	199,019
Acquisition of goodwill		-	(115)
		<u>(620,210)</u>	<u>(823,608)</u>
Net cash flows from investing activities		<u>(620,210)</u>	<u>(823,608)</u>
Cash flows from financing activities			
Interest paid	8	(5,102)	(3,005)
Payments to finance lease creditors		(1,669,114)	(2,220,883)
Dividends paid		<u>(2,250,000)</u>	<u>(1,750,000)</u>
Net cash flows from financing activities		<u>(3,924,216)</u>	<u>(3,973,888)</u>
Net increase in cash and cash equivalents		4,341,003	385,587
Cash and cash equivalents at 1 April		<u>5,686,988</u>	<u>5,301,401</u>
Cash and cash equivalents at 31 March		<u>10,027,991</u>	<u>5,686,988</u>

Smith & Sons (Bletchington) Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		5,348,653	3,255,577
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		2,472,373	2,351,096
Loss/(profit) on disposal of tangible assets		9,070	(97,489)
Finance income		808	(20,988)
Finance costs		92,171	79,941
Income tax expense		<u>1,281,883</u>	<u>992,309</u>
		9,204,958	6,560,446
Working capital adjustments			
Decrease/(increase) in stocks	17	295,712	(455,349)
Increase in debtors	18	(1,194,431)	(436,228)
Increase in creditors	19	661,242	73,664
Increase in provisions	20	<u>503,866</u>	<u>203,420</u>
Cash generated from operations		9,471,347	5,945,953
Income taxes paid		<u>(910,745)</u>	<u>(823,849)</u>
Net cash flow from operating activities		<u>8,560,602</u>	<u>5,122,104</u>
Cash flows from investing activities			
Interest received		(808)	20,988
Acquisition of subsidiaries		-	(115)
Acquisitions of tangible assets		(575,586)	(859,661)
Proceeds from sale of tangible assets		<u>31,770</u>	<u>189,347</u>
Net cash flows from investing activities		<u>(544,624)</u>	<u>(649,441)</u>
Cash flows from financing activities			
Interest paid		(5,102)	(3,005)
Payments to finance lease creditors		(1,669,114)	(2,220,883)
Dividends paid		<u>(2,250,000)</u>	<u>(1,750,000)</u>
Net cash flows from financing activities		<u>(3,924,216)</u>	<u>(3,973,888)</u>
Net increase in cash and cash equivalents		4,091,762	498,775
Cash and cash equivalents at 1 April		<u>4,382,779</u>	<u>3,884,004</u>
Cash and cash equivalents at 31 March		<u>8,474,541</u>	<u>4,382,779</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Enslow
Kidlington
Oxon
OX5 3AY

These financial statements were authorised for issue by the Board on 27 September 2021.

The principal activity of the group is the extraction, processing, marketing and haulage of aggregates, including sand, gravel, crushed limestone and recycled aggregates, plant hire, excavation and ground works, inert recovery operations, construction, farming and leisure fishing.

The group's functional currency is pound sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Key sources of estimation uncertainty

The group account for a restoration and aftercare provision in respect of the anticipated costs to restore quarries at the end of excavation. The costs are accrued per tonne of material extracted based on an estimate of the overall final costs and total material available for extraction. The carrying amount is £1,605,478 (2020 - £1,101,612).

The group estimate the useful economic life for all tangible fixed assets. The carrying amount is £15,568,806 (2020 - £16,565,220).

Similarly, the group estimates the useful economic life for all intangible fixed assets. The carrying amount is £7,634 (2020 - £7,634).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

goods have been despatched or services provided in accordance with each of the Group's activities.

Government grants

The company receives government grants in respect of the Coronavirus Job Retention Scheme. These grants are recognised using the accrual model and as such are recorded in the profit and loss account in the period in which the company is entitled to such grants as a result of having furloughed staff members.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Assets under construction	nil
Investment properties	nil
Plant, machinery and vehicles	straight line 5 - 15 years
Mineral land	straight line per tonne extracted
Leasehold buildings	straight line over the life of the lease

Investment property

Investment property is carried at fair value, determined annually by the directors taking into account property index movements since the last formal external valuation. External valuations are carried out at least every five years.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed five years.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Other intangible assets	Straight line over useful life
Goodwill	Straight line over 5 years

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors with no stated interest rate and receivable within one year are recorded at transaction price.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are paid.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	31,848,360	25,828,661
Rendering of services	64,836	465,950
Rental income	352,296	385,269
Retail sales	429,261	234,576
	<u>32,694,753</u>	<u>26,914,456</u>

The analysis of the group's turnover for the year by class of business is as follows:

	2021	2020
	£	£
Mineral extraction, tipping and distribution	31,017,186	24,960,132
Leisure fishing	1,260,435	1,103,105
Construction	64,836	465,950
Rental income	352,296	385,269
	<u>32,694,753</u>	<u>26,914,456</u>

The analysis of the group's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	<u>32,694,753</u>	<u>26,914,456</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	214,490	-
Other operating income	3,253	44,977
	<u>217,743</u>	<u>44,977</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2021	2020
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>(9,070)</u>	<u>107,133</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	2,529,985	2,396,093
Amortisation expense	-	79,767
Operating lease expense - plant and machinery	1,408,359	891,654
Loss/(profit) on disposal of property, plant and equipment	<u>9,070</u>	<u>(107,133)</u>

7 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>2,183</u>	<u>30,912</u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	4,282	3,005
Interest on obligations under finance leases and hire purchase contracts	87,069	76,936
Interest expense on other finance liabilities	<u>820</u>	<u>-</u>
	<u>92,171</u>	<u>79,941</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	5,189,906	4,830,466
Social security costs	549,626	542,378
Pension costs, defined contribution scheme	<u>222,706</u>	<u>225,068</u>
	<u>5,962,238</u>	<u>5,597,912</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Production	84	84
Administration and support	38	37
	122	121

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	448,071	364,127
Contributions paid to money purchase schemes	8,397	11,667
	456,468	375,794

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	2	1

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	126,119	171,093

11 Auditors' remuneration

	2021	2020
	£	£
Audit of these financial statements	19,500	19,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	9,400	7,300
	28,900	26,300
Other fees to auditors		
Taxation compliance services	3,800	3,900
All other assurance services	2,975	2,775
All other non-audit services	9,175	7,100
	15,950	13,775

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

12 Taxation

Tax charged/(credited) in the income statement

	2021	2020
	£	£
Current taxation		
UK corporation tax	1,589,386	903,694
UK corporation tax adjustment to prior periods	-	154
	1,589,386	903,848
Deferred taxation		
Arising from origination and reversal of timing differences	(259,004)	143,177
Tax expense in the income statement	1,330,382	1,047,025

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021	2020
	£	£
Profit before tax	6,895,135	4,425,035
Corporation tax at standard rate	1,310,076	840,757
UK deferred tax expense (credit) relating to changes in tax rates or laws	-	84,815
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	-	154
Other tax effects for reconciliation between accounting and taxable profit	20,306	121,299
Total tax charge	1,330,382	1,047,025

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Intangible assets

Group

	Goodwill £	Other intangible assets £	Total £
Cost or valuation			
At 1 April 2020	<u>398,390</u>	<u>419,156</u>	<u>817,546</u>
At 31 March 2021	<u>398,390</u>	<u>419,156</u>	<u>817,546</u>
Amortisation			
At 1 April 2020	<u>398,390</u>	<u>411,522</u>	<u>809,912</u>
At 31 March 2021	<u>398,390</u>	<u>411,522</u>	<u>809,912</u>
Carrying amount			
At 31 March 2021	<u>-</u>	<u>7,634</u>	<u>7,634</u>
At 31 March 2020	<u>-</u>	<u>7,634</u>	<u>7,634</u>

Company

	Other intangible assets £	Total £
Cost or valuation		
At 1 April 2020	<u>419,156</u>	<u>419,156</u>
At 31 March 2021	<u>419,156</u>	<u>419,156</u>
Amortisation		
At 1 April 2020	<u>411,522</u>	<u>411,522</u>
At 31 March 2021	<u>411,522</u>	<u>411,522</u>
Carrying amount		
At 31 March 2021	<u>7,634</u>	<u>7,634</u>
At 31 March 2020	<u>7,634</u>	<u>7,634</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

14 Tangible assets

Group

	Land and buildings £	Other property, plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2020	12,866,804	19,248,090	4,687,353	615,627	37,417,874
Additions	16,149	211,344	809,127	537,791	1,574,411
Disposals	-	(69,824)	(355,247)	-	(425,071)
Transfers	304,582	172,452	-	(477,034)	-
At 31 March 2021	<u>13,187,535</u>	<u>19,562,062</u>	<u>5,141,233</u>	<u>676,384</u>	<u>38,567,214</u>
Depreciation					
At 1 April 2020	6,816,909	11,210,403	2,825,342	-	20,852,654
Charge for the year	367,044	1,539,962	622,979	-	2,529,985
Eliminated on disposal	-	(64,158)	(320,073)	-	(384,231)
At 31 March 2021	<u>7,183,953</u>	<u>12,686,207</u>	<u>3,128,248</u>	<u>-</u>	<u>22,998,408</u>
Carrying amount					
At 31 March 2021	<u>6,003,582</u>	<u>6,875,855</u>	<u>2,012,985</u>	<u>676,384</u>	<u>15,568,806</u>
At 31 March 2020	<u>6,049,895</u>	<u>8,037,687</u>	<u>1,862,011</u>	<u>615,627</u>	<u>16,565,220</u>

Included within the net book value of land and buildings above is £5,682,764 (2020 - £5,716,877) in respect of freehold land and buildings and £320,818 (2020 - £333,018) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	<u>4,484,544</u>	<u>6,271,033</u>

Restriction on title and pledged as security

Plant and machinery with a carrying amount of £4,484,544 (2020 - £6,271,033) has been pledged as security for the hire purchase agreements to which it relates.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Company

	Land and buildings £	Other property, plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2020	12,292,122	19,090,039	4,645,082	549,471	36,576,714
Additions	-	197,808	789,998	508,028	1,495,834
Disposals	-	(69,824)	(355,247)	-	(425,071)
Transfers	304,582	172,452	-	(477,034)	-
At 31 March 2021	<u>12,596,704</u>	<u>19,390,475</u>	<u>5,079,833</u>	<u>580,465</u>	<u>37,647,477</u>
Depreciation					
At 1 April 2020	6,556,988	11,130,969	2,802,694	-	20,490,651
Charge for the year	342,936	1,515,227	614,210	-	2,472,373
Eliminated on disposal	-	(64,158)	(320,073)	-	(384,231)
At 31 March 2021	<u>6,899,924</u>	<u>12,582,038</u>	<u>3,096,831</u>	<u>-</u>	<u>22,578,793</u>
Carrying amount					
At 31 March 2021	<u>5,696,780</u>	<u>6,808,437</u>	<u>1,983,002</u>	<u>580,465</u>	<u>15,068,684</u>
At 31 March 2020	<u>5,735,134</u>	<u>7,959,070</u>	<u>1,842,388</u>	<u>549,471</u>	<u>16,086,063</u>

Included within the net book value of land and buildings above is £5,682,764 (2020 - £5,716,877) in respect of freehold land and buildings and £14,016 (2020 - £18,257) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Plant and machinery	<u>4,484,544</u>	<u>6,271,033</u>

Restriction on title and pledged as security

Plant and machinery with a carrying amount of £4,484,544 (2020 - £6,271,033) has been pledged as security for the hire purchase agreements to which it relates.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

15 Investment properties

Group

	2021 £	2020 £
At 1 April 2020	<u>5,195,000</u>	<u>5,195,000</u>
At 31 March 2021	<u><u>5,195,000</u></u>	<u><u>5,195,000</u></u>

Investment properties were valued by an independent valuer during the year ended 31st March 2020. The directors are of the opinion that the value has not materially changed in the year and are therefore continuing to use that valuation.

Company

	2021 £	2020 £
At 1 April 2020	<u>5,195,000</u>	<u>5,195,000</u>
At 31 March 2021	<u><u>5,195,000</u></u>	<u><u>5,195,000</u></u>

Investment properties were valued by an independent valuer during the year ended 31st March 2020. The directors are of the opinion that the value has not materially changed in the year and are therefore continuing to use that valuation.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

16 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Linear Fisheries (Oxford) Limited*	Enslow, Kidlington, OX5 3AY United Kingdom	Ordinary	100%	100%
Smith's Limestone Limited*	Enslow, Kidlington, OX5 3AY United Kingdom	Ordinary	100%	100%
Smith's Haulage (Bletchington) Limited*	Enslow, Kidlington, OX5 3AY United Kingdom	Ordinary	100%	100%
Smith's Construction (Bletchington) Limited*	Enslow, Kidlington, OX5 3AY United Kingdom	Ordinary	100%	100%
Taylor's Transport Limited*	Enslow, Kidlington, OX5 3AY United Kingdom	Ordinary	100%	100%

* indicates direct investment of the company

Subsidiary undertakings

Linear Fisheries (Oxford) Limited

The principal activity of Linear Fisheries (Oxford) Limited is Leisure Fishery Management

Smith's Limestone Limited

The principal activity of Smith's Limestone Limited is that of a dormant company

Smith's Haulage (Bletchington) Limited

The principal activity of Smith's Haulage (Bletchington) Limited is that of a dormant company

Smith's Construction (Bletchington) Limited

The principal activity of Smith's Construction (Bletchington) Limited is that of a dormant company

Taylor's Transport Limited

The principal activity of Taylor's Transport Limited is that of a dormant company

Company

	2021	2020
	£	£
Investments in subsidiaries (at cost)	<u>603,944</u>	<u>603,944</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

17 Stocks

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Raw materials and consumables	240,279	315,255	237,515	311,413
Work in progress	-	27,539	-	27,539
Finished goods and goods for resale	1,262,353	1,509,476	1,196,784	1,391,059
	<u>1,502,632</u>	<u>1,852,270</u>	<u>1,434,299</u>	<u>1,730,011</u>

18 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	6,553,106	5,448,417	6,485,601	5,382,933
Amounts owed by group undertakings	-	-	51,990	33,353
Other debtors	1,263,107	1,180,383	1,241,808	1,176,483
Prepayments	262,236	230,473	205,510	197,709
	<u>8,078,449</u>	<u>6,859,273</u>	<u>7,984,909</u>	<u>6,790,478</u>
Less non-current portion	<u>(85,000)</u>	<u>(89,000)</u>	<u>(85,000)</u>	<u>(89,000)</u>
Total current trade and other debtors	<u>7,993,449</u>	<u>6,770,273</u>	<u>7,899,909</u>	<u>6,701,478</u>

Details of non-current trade and other debtors

Group

£85,000 (2020 - £89,000) of other debtors is classified as non current.

Company

£85,000 (2020 - £89,000) of other debtors is classified as non current.

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Creditors

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Due within one year					
Loans and borrowings		1,029,515	1,283,606	1,029,515	1,283,606
Trade creditors		1,489,911	1,229,865	1,458,053	1,195,622
Social security and other taxes		1,370,105	1,170,327	1,369,256	1,168,351
Pension costs payable		37,400	33,622	37,400	33,622
Other payables		9,869	7,142	9,869	7,142
Accrued expenses		939,704	724,750	805,415	614,014
Income tax liability		1,177,719	542,693	1,120,420	499,078
		<u>6,054,223</u>	<u>4,992,005</u>	<u>5,829,928</u>	<u>4,801,435</u>
Due after one year					
Loans and borrowings	24	<u>1,538,228</u>	<u>1,945,934</u>	<u>1,538,228</u>	<u>1,945,934</u>

20 Deferred tax and other provisions

Group

	Deferred tax £	Restoration and aftercare provision £	Total £
At 1 April 2020	871,604	1,101,612	1,973,216
Increase/(decrease) in existing provisions	(259,004)	1,067,407	808,403
Provisions used	-	(563,541)	(563,541)
At 31 March 2021	<u>612,600</u>	<u>1,605,478</u>	<u>2,218,078</u>

The restoration and aftercare provision represents the anticipated cost of the restoration and subsequent aftercare of land used for the extraction of minerals in line with the group's principal activities. The exact timing of outflows varies for each site. The provisions are estimated based on the expected expenditure with reference to the material extracted to date and still remaining for extraction.

Company

	Deferred tax £	Restoration and aftercare provision £	Total £
At 1 April 2020	853,004	1,101,612	1,954,616
Increase/(decrease) in existing provisions	(250,204)	1,067,407	817,203
Provisions used	-	(563,541)	(563,541)
At 31 March 2021	<u>602,800</u>	<u>1,605,478</u>	<u>2,208,278</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2021	
Tax on revaluation of investment property	615,936
Accelerated capital allowances	160,232
Other timing differences	<u>(163,568)</u>
	<u>612,600</u>
	Liability £
2020	
Tax on revaluation of investment property	615,936
Accelerated capital allowances	297,158
Other timing differences	<u>(41,490)</u>
	<u>871,604</u>

Company

Deferred tax assets and liabilities

	Liability £
2021	
Tax on revaluation of investment property	615,936
Accelerated capital allowances	150,432
Other timing differences	<u>(163,568)</u>
	<u>602,800</u>
	Liability £
2020	
Tax on revaluation of investment property	615,936
Accelerated capital allowances	278,558
Other timing differences	<u>(41,490)</u>
	<u>853,004</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

21 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £222,706 (2020 - £225,068).

Contributions totalling £37,400 (2020 - £33,622) were payable to the scheme at the end of the year and are included in creditors.

22 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary 'A' Shares of £1 each	160,000	160,000	160,000	160,000
Ordinary 'B' Shares of £1 each	160,000	160,000	160,000	160,000
	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>

23 Reserves

Group and company

Profit and loss account

The profit and loss account includes revaluation gains and deferred tax on investment properties. This gives rise to an undistributable element of £3,183,670 (2020: £3,183,670)

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

24 Loans and borrowings

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Non-current loans and borrowings				
HP and finance lease liabilities	<u>1,538,228</u>	<u>1,945,934</u>	<u>1,538,228</u>	<u>1,945,934</u>

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Current loans and borrowings				
HP and finance lease liabilities	<u>1,029,515</u>	<u>1,283,606</u>	<u>1,029,515</u>	<u>1,283,606</u>

25 Dividends

Final dividends paid

	2021 £	2020 £
Final dividend for prior period	<u>2,250,000</u>	<u>1,750,000</u>

26 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £2,200,000 (2020 - £814,172).

Company

Capital commitments

The total amount contracted for but not provided in the financial statements was £2,200,000 (2020 - £804,697).

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

27 Related party transactions

Group

Key management personnel

Key management personnel, consisting of the directors of the company and members of the senior management team.

Key management compensation

	2021 £	2020 £
Salaries and other short term employee benefits	775,692	645,352
Post-employment benefits	31,339	38,707
	<u>807,031</u>	<u>684,059</u>

Summary of transactions with key management

During the year, key management personnel received salaries and benefits as summarised above.

Transactions with directors

During the year, dividends totalling £2,250,000 (2020: £1,750,000) were paid to the directors and their families. At the balance sheet date, the amount due to directors was £9,615 (2020: £6,778).

Summary of transactions with other related parties

Smiths Concrete Limited - Three directors of Smith & Sons (Bletchington) Limited in the year are also directors of Smiths Concrete Limited.

During the year, the company made sales and purchases of materials to / from Smiths Concrete Limited.

Income and receivables from related parties

	Other related parties £
2021	
Sale of goods	3,920,418
Amounts receivable from related party	<u>531,551</u>
	<u>Other related parties £</u>
2020	
Sale of goods	4,126,311
Amounts receivable from related party	<u>430,128</u>

Smith & Sons (Bletchington) Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Expenditure with and payables to related parties

	Other related parties
	£
2021	
Purchase of goods	<u>11,531</u>
	Other related parties
	£
2020	
Purchase of goods	<u>104,870</u>
Amounts payable to related party	<u>11,914</u>

28 Non adjusting events after the financial period

The 2021 Finance Bill passed through the Commons on 24th May 2021. As a result of this Bill, a new 25% rate of corporation tax for profits over £250,000 will be effective from 1st April 2023. If this had been in place at the year end, the deferred tax liability would have increased by £193,452 to £806,051.