

Registered number: 11218421

TH Glasshoughton Bidco Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2020

TH Glasshoughton Bidco Limited

Company Information

Directors	C A Bennett M C Fairey J D Haigh D R L Hill E J Hodges A R Lawley M Prencipe
Registered number	11218421
Registered office	Unit 9b Alpine Court Glasshoughton Castleford WF10 4TL
Independent auditor	Grant Thornton UK LLP Chartered Accountants No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

TH Glasshoughton Bidco Limited

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TH Glasshoughton Bidco Limited

Group Strategic Report

For the Year Ended 30 June 2020**Introduction**

The directors present the Group Strategic Report for the year ended 30 June 2020. The principal activity of the Company is that of a holding company, with trade being undertaken by its subsidiaries.

The Group of Companies headed by TH Glasshoughton Bidco Limited are experts in transforming commercial space and managing logistics across a number of sectors that include retail, office, leisure and accommodation.

The Consolidated results are reported within the Consolidated Statement of Comprehensive Income within the financial statements.

Business review

The directors are pleased with the performance of the business, set against the challenges of Covid-19. The profitability was impacted through the “lockdown” period, although some operations continued. Activity levels have since recovered, with a very strong start to the new financial year, underpinned by a strong recurring client base, order book and pipeline of new opportunities. Investment has continued in strengthening the management team and development of our people.

On the 12 August 2019, TH Glasshoughton Bidco Limited acquired 100% of the share capital of Thompson Contracts (Blackpool) Limited for an initial consideration of £29.7m with further considerations contingent on future events.

In February 2020 the directors took the view to significantly reduce and subsequently discontinue the operations in Australia, following the end of a significant GNFR contract with a key client. Provisions for all closure related costs have been included within the consolidated results for the year.

Principal risks and uncertainties

The principal risks to the Group will be from the threat of additional competitors emerging in current markets and impacts of the economy resulting in investment strategy changes from major customers the Group supports. The Group actively seeks to manage this risk by continuing to diversify across an increasingly large number of customers.

Financial key performance indicators

The directors consider the Group's KPIs to be turnover and gross profit. The results for the year ended 30 June 2020 are detailed below:

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
Turnover	73,704	48,070
Gross profit	15,700	12,373

TH Glasshoughton Bidco Limited**Group Strategic Report (continued)****For the Year Ended 30 June 2020****Directors' statement of compliance with duty to promote the success of the Group**

Under S172 of the Companies Act 2006, the Directors have a duty to promote the success of the Group for the benefit of the members as a whole and, in doing so, have regard to:

- The likely consequences of any decision in the long term,
- The interests of the Group's employees
- The need to foster the Group's business relationships with suppliers, customers and others
- The impact of the Group's operations on the community and the environment
- The desirability of the Group maintaining a reputation for high standards of business conduct and
- The need to act fairly between members of the Group.

The Directors consider the following areas of key importance in its fulfilment of this duty:

Budgeting and planning

The Group's budget and long-term strategic plan are designed to assess the long-term consequences of decisions made by Directors. They are compiled with involvement from a wide range of employees across each division and are shared with key stakeholders such as the Group's investors. The Group is then held to account in the delivery of these budgets as actual results are reported to key stakeholders on a monthly basis.

Policies and procedures for employees

The Group maintains a detailed employee handbook ensuring policies are clearly documented. The Group maintains strict Health and Safety policies, supported by regular third party accreditations, to mitigate risks to employee's safety, physical and mental wellbeing. These policies are maintained by a dedicated Health and Safety team including trained mental health first aiders.

Dealings with suppliers, customers and others

The Group encourages open and honest dealings both internally and externally. Regular dialogue is maintained with all key customers, suppliers and shareholders.

High standards in behaviour and service delivery

High standards are expected of our people in both interaction with others and service delivery. Our people are suitably trained to deliver expertise in their relevant areas and are encouraged to display our PRIDE values through regular communications and training.

Interaction with local communities

The Group actively encourages supporting the local community in which it operates, current examples being sponsorship of local sports teams and supporting a locally based charity through fundraising activities.

This report was approved by the board on 30/3/2021

and signed on its behalf.

Craig Fairey

M C Fairey
Director

TH Glasshoughton Bidco Limited

Directors' Report

For the Year Ended 30 June 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Results and dividends

The loss for the year, after taxation, amounted to £16,017,000 (2019 - loss £3,448,000).

No dividends were paid in the year (2019:£nil).

Directors

The directors who served during the year were:

C A Bennett
M C Fairey
J D Haigh
P N G Graham (appointed 5 November 2019, resigned 1 October 2020)
D R L Hill (appointed 5 November 2019)
M J Hancox (resigned 31 August 2019)
J Jefferies (resigned 1 October 2020)
M Principe

E J Hodges and A R Lawley were appointed as directors on 8 October 2020.

Financial risk management

The directors manage the Group's exposure to financial risk by researching the credit worthiness of customers and negotiating suitable payment terms with customers and suppliers. Currency risk is restricted to the short term settlement of trading balances with customers and suppliers.

TH Glasshoughton Bidco Limited

Directors' Report (continued)

For the Year Ended 30 June 2020

Environmental matters

The Group is committed to continually improving our environmental and sustainability performance. This is backed up by our commitment to our ongoing ISO 14001 Accreditation and developing our Environmental and Sustainability policies.

From a waste management perspective we are committed to maximising the amount of waste that we are able to recycle. 95% of our waste is diverted away from landfill. We are currently embarking on measures to improve upon this through the use of re-cyclable or biodegradable signage and packaging material. Recycling schemes have been introduced within the warehousing and office environments.

We have reduced the electricity load in our offices and warehouses through the adoption of long life LED lighting systems linked to Passive Infra-Red (PIR) technology. Furthermore, the organisation has embarked on a 3 year strategy to provide electric / hybrid fleet cars and to provide electric charging points at offices and warehouses. This will have a positive impact on our carbon loading.

Fuel consumption as a function of turnover is being reduced through the increased use of video-conferencing and e-learning packages. This has reduced the need to attend sites for meetings and will continue to be a key influencer going forward.

The organisation is committed to developing a Digital Transformation Strategy to drive efficiencies and cut down on resources and paper.

Going forward, we will be looking at how to streamline our data capture processes and methodology for energy use in our premises in order to establish a consistent metric on our carbon footprint and establish realistic KPI's for business improvement working towards a zero net carbon position.

Future developments

The Group continues to build on existing client relationships as well as strengthening the pipeline of new customers that it has strong confidence in converting in the next financial year.

Research and development activities

The Group continues to invest in research and development in order to advance processes and procedures in the delivery of its services.

Engagement with employees

Employees are kept regularly informed on matters affecting them and on matters of affecting the Group's trading performance through a variety of communication tools including the Group intranet, regular emails from colleague representatives and team briefings.

Disabled employees

The Group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their aptitude and abilities.

Disabled employees receive appropriate training to promote their career development within the Group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

TH Glasshoughton Bidco Limited

Directors' Report (continued)

For the Year Ended 30 June 2020

Qualifying third party indemnity provisions

The Group has insurance provisions in place to provide indemnity cover for directors and officers.

Going concern

The uncertainty as to the future impact on the Group of the Covid-19 pandemic has been considered as part of the directors' consideration of the going concern basis of preparation. The business closely monitors its order book and pipeline of future work, and the impact of these on its future cash requirements. Trading activity of the business remains strong and directors remain confident that future impacts of Covid-19 can be adequately managed. Consequently, the directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Subsequent events

On 29 January 2021 the terms of the secured loan notes detailed in note 23 were amended such that all loan notes now carry an interest rate of 9% pa and have a maturity date of March 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TH Glasshoughton Bidco Limited

Directors' Report (continued)

For the Year Ended 30 June 2020

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30/3/2021 and signed on its behalf.

Craig Fairey
M C Fairey
Director

TH Glasshoughton Bidco Limited

Independent Auditor's Report to the Members of TH Glasshoughton Bidco Limited

Opinion

We have audited the financial statements of TH Glasshoughton Bidco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity 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 of the parent Company's affairs as at 30 June 2020 and of the Group's loss 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 and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently facing the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the parent Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Group and the parent Company associated with these particular events.

TH Glasshoughton Bidco Limited

Independent Auditor's Report to the Members of TH Glasshoughton Bidco Limited (continued)

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's or the parent Company's business model, including effects arising from Covid-19 and Brexit, and analysed how those risks might affect the Group's or the parent Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the Group and the parent Company will continue in operation.

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.

TH Glasshoughton Bidco Limited

Independent Auditor's Report to the Members of TH Glasshoughton Bidco Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement 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.

TH Glasshoughton Bidco Limited

Independent Auditor's Report to the Members of TH Glasshoughton Bidco Limited (continued)

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.

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 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.



Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 30/3/2021

TH Glasshoughton Bidco Limited

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	Continuing operations 2020 £'000	Discontinued operations 2020 £'000	Total 2020 £'000	Continuing operations 2019 £'000	Discontinued operations 2019 £'000	Total 2019 £'000
Turnover	4	70,189	3,515	73,704	43,440	4,630	48,070
Cost of sales		(54,999)	(3,005)	(58,004)	(31,580)	(4,117)	(35,697)
Gross profit		15,190	510	15,700	11,860	513	12,373
Administrative expenses		(19,688)	(3)	(19,691)	(13,477)	(60)	(13,537)
Exceptional administrative expenses	13	(632)	-	(632)	(611)	-	(611)
Other operating income	6	651	-	651	-	-	-
Operating (loss)/profit		(4,479)	507	(3,972)	(2,228)	453	(1,775)
Goodwill impairment	15	(7,800)	-	(7,800)	-	-	-
Interest payable and expenses	11	(4,981)	-	(4,981)	(1,690)	-	(1,690)
(Loss)/profit before taxation		(17,260)	507	(16,753)	(3,918)	453	(3,465)
Tax on (loss)/profit	12	1,010	(274)	736	153	(136)	17
(Loss)/profit for the financial year		(16,250)	233	(16,017)	(3,765)	317	(3,448)
Currency translation differences				11			(13)
Total comprehensive income for the year				(16,006)			(3,461)
(Loss)/profit attributable to owners of the parent Company		(16,250)	233	(16,017)	(3,765)	317	(3,448)

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited

Registered number: 11218421

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	15	36,243	26,556
Tangible assets	16	853	182
		<u>37,096</u>	<u>26,738</u>
Current assets			
Stocks	18	4,132	2,189
Debtors: amounts falling due within one year	19	9,987	12,337
Cash at bank and in hand	20	9,822	1,918
		<u>23,941</u>	<u>16,444</u>
Creditors: amounts falling due within one year	21	(36,946)	(11,417)
Net current (liabilities)/assets		<u>(13,005)</u>	<u>5,027</u>
Total assets less current liabilities		<u>24,091</u>	<u>31,765</u>
Creditors: amounts falling due after more than one year	22	(22,063)	(21,208)
Provisions for liabilities			
Deferred taxation	25	(2,282)	(2,305)
		<u>(2,282)</u>	<u>(2,305)</u>
Net (liabilities)/assets		<u>(254)</u>	<u>8,252</u>
Capital and reserves			
Called up share capital	26	7	5
Share premium account	27	39	39
Merger reserves	27	20,254	12,756
Profit and loss account	27	(20,554)	(4,548)
Shareholders' funds		<u>(254)</u>	<u>8,252</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/3/2021



M C Fairey
Director

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited

Registered number: 11218421

Company Statement of Financial Position

As at 30 June 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	17	56,913	35,033
Current assets			
Debtors: amounts falling due within one year	19	254	1,243
Cash at bank and in hand	20	1,083	9
		<u>1,337</u>	<u>1,252</u>
Creditors: amounts falling due within one year	21	(27,125)	(5,821)
Net current liabilities		<u>(25,788)</u>	<u>(4,569)</u>
Total assets less current liabilities		<u>31,125</u>	<u>30,464</u>
Creditors: amounts falling due after more than one year	22	(22,063)	(21,208)
Net assets		<u><u>9,062</u></u>	<u><u>9,256</u></u>
Capital and reserves			
Called up share capital	26	7	5
Share premium account	27	39	39
Merger reserves	27	20,254	12,756
Profit and loss account brought forward		(3,544)	(1,440)
Loss for the year		(7,694)	(2,104)
Profit and loss account carried forward		<u>(11,238)</u>	<u>(3,544)</u>
		<u><u>9,062</u></u>	<u><u>9,256</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30/3/2021

Craig Fairey
M C Fairey
 Director

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Consolidated Statement of Changes in Equity****For the Year Ended 30 June 2020**

	Called up share capital £000	Share premium account £000	Merger reserves £000	Profit and loss account £000	Total equity £000
At 1 July 2019	5	39	12,756	(4,548)	8,252
Comprehensive income for the year					
Loss for the year	-	-	-	(16,017)	(16,017)
Currency translation differences	-	-	-	11	11
Other comprehensive income for the year	-	-	-	11	11
Total comprehensive income for the year	-	-	-	(16,006)	(16,006)
Shares issued during the year	2	-	-	-	2
Merger reserve on issue of shares	-	-	7,498	-	7,498
Total transactions with owners	2	-	7,498	-	7,500
At 30 June 2020	7	39	20,254	(20,554)	(254)

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Consolidated Statement of Changes in Equity****For the Year Ended 30 June 2019**

	Called up share capital £000	Share premium account £000	Merger reserves £000	Profit and loss account £000	Total equity £000
At 1 July 2018	5	34	12,756	(1,087)	11,708
Comprehensive income for the year					
Loss for the year	-	-	-	(3,448)	(3,448)
Currency translation differences	-	-	-	(13)	(13)
Other comprehensive income for the year	-	-	-	(13)	(13)
Total comprehensive income for the year	-	-	-	(3,461)	(3,461)
Shares issued during the year	-	5	-	-	5
Total transactions with owners	-	5	-	-	5
At 30 June 2019	5	39	12,756	(4,548)	8,252

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Company Statement of Changes in Equity****For the Year Ended 30 June 2020**

	Called up share capital	Share premium account	Merger reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2019	5	39	12,756	(3,544)	9,256
Comprehensive income for the year					
Loss for the year	-	-	-	(7,694)	(7,694)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,694)</u>	<u>(7,694)</u>
Contributions by and distributions to owners					
Shares issued during the year	2	-	-	-	2
Merger reserve on issue of shares	-	-	7,498	-	7,498
Total transactions with owners	<u>2</u>	<u>-</u>	<u>7,498</u>	<u>-</u>	<u>7,500</u>
At 30 June 2020	<u>7</u>	<u>39</u>	<u>20,254</u>	<u>(11,238)</u>	<u>9,062</u>

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Company Statement of Changes in Equity****For the Year Ended 30 June 2019**

	Called up share capital	Share premium account	Merger reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2018	5	34	12,756	(1,440)	11,355
Comprehensive income for the year					
Loss for the year	-	-	-	(2,104)	(2,104)
Total comprehensive income for the year	-	-	-	(2,104)	(2,104)
Contributions by and distributions to owners					
Shares issued during the year	-	5	-	-	5
Total transactions with owners	-	5	-	-	5
At 30 June 2019	5	39	12,756	(3,544)	9,256

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Consolidated Statement of Cash Flows****For the Year Ended 30 June 2020**

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the financial year	(16,017)	(3,448)
Adjustments for:		
Amortisation of intangible assets	5,030	3,980
Depreciation of tangible assets	120	27
Interest paid	4,981	1,690
Taxation charge	(736)	(17)
(Increase)/decrease in stocks	(110)	2,146
Decrease/(increase) in debtors	8,061	(1,006)
Increase/(decrease) in creditors	2,498	(1,233)
Amortisation of loan issue fees	326	-
Impairment of goodwill	7,800	-
Corporation tax received/(paid)	677	(1,073)
Net cash generated from operating activities	12,630	1,066
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(33)
Purchase of tangible fixed assets	(130)	(189)
Purchase of subsidiary (net of cash acquired)	(18,893)	-
HP interest paid	(5)	-
Net cash from investing activities	(19,028)	(222)
Cash flows from financing activities		
Issue of ordinary shares	-	5
New secured loans (net of issue costs)	16,296	-
Repayment of revolving credit facility	(1,004)	-
Interest paid	(990)	(655)
Net cash used in financing activities	14,302	(650)

TH Glasshoughton Bidco Limited**Consolidated Statement of Cash Flows (continued)****For the Year Ended 30 June 2020**

	2020 £000	2019 £000
Net increase in cash and cash equivalents	7,904	194
Cash and cash equivalents at beginning of year	1,918	1,724
Cash and cash equivalents at the end of year	9,822	1,918
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,822	1,918
	9,822	1,918

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited**Consolidated Analysis of Net Debt****For the Year Ended 30 June 2020**

	At 1 July 2019 £000	Cash flows £000	Acquisition and disposal of subsidiaries £000	Other non- cash changes £000	At 30 June 2020 £000
Cash at bank and in hand	1,918	4,617	3,287	-	9,822
Debt due after 1 year	(21,208)	-	-	(855)	(22,063)
Debt due within 1 year	(1,419)	(15,292)	-	(3,457)	(20,168)
	<u>(20,709)</u>	<u>(10,675)</u>	<u>3,287</u>	<u>(4,312)</u>	<u>(32,409)</u>

The notes on pages 21 to 48 form part of these financial statements.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

1. General information

TH Glasshoughton Bidco Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is located at Unit 9b, Alpine Court, Glasshoughton, Castleford, WF10 4TL. Its principal activity is that of a holding company for a group whose principal activities are detailed in the Group Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The uncertainty as to the future impact on the Group of the Covid-19 pandemic has been considered as part of the directors' consideration of the going concern basis of preparation. The business closely monitors its order book and pipeline of future work, and the impact of these on its future cash requirements. Trading activity of the business remains strong and directors remain confident that future impacts of Covid-19 can be adequately managed.

Consequently, the directors have a reasonable expectation that the Group has adequate resources to continue in existence for the foreseeable future (being at least 12 months of the date of signing of these financial statements). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company and Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

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 Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Research & Development tax relief is accounted for in the period in which the tax return containing the related claim is submitted.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	10	years
Order backlog	-	1	year
Software	-	3	years
Goodwill	-	10	years
Technology based	-	5	years

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% pa straight line
Short-term leasehold property	-	20% pa straight line
Plant and machinery	-	20% pa straight line
Motor vehicles	-	33% pa straight line
Office equipment	-	20% pa straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.23 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.24 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimating value in use of intangible assets

Where an indication of impairment exists, the directors have carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less costs to sell and value in use. The value in use calculation has required the directors to estimate future cash flows expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

Determining residual values and useful economic lives of intangible assets

The Group amortises intangible assets, over their estimated useful lives. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Group expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes.

Acquisition accounting

A number of judgements and estimates are necessary in establishing the opening net asset position, obligations in place at acquisition, fair value adjustments and the value of intangible assets in respect of businesses acquired. For the value of intangible assets these include estimates of future revenue, growth rates, customer retention rates, discount rates together with the period of amortisation for separable intangibles. If there were to be a change in these estimates in future periods it may indicate that there is an impairment of the underlying intangibles.

Contract accounting

As a significant proportion of the Group's activities are undertaken on construction contracts that may span the period end, the Group is required to make estimates in accounting for revenue and margin at each period end. These estimates may depend on the outcome of future events and may need to be revised as circumstances change.

Deferred consideration

The Directors have assessed the carrying value of deferred consideration that is contingent on the future results of acquired entities by reviewing forecasts. These forecasts by nature are subject to an element of estimation uncertainty.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020**4. Turnover**

The whole of the turnover is attributable to activities of the Group as detailed in the Group Strategic Report.

Analysis of turnover by country of destination:

	2020	2019
	£000	£000
United Kingdom	65,764	38,708
Rest of Europe	3,404	2,496
Rest of the world	4,536	6,866
	<u>73,704</u>	<u>48,070</u>

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020**5. Segmental reporting**

Management considers the Group's service lines as three distinct segments, namely Projects, Supply Chain and Other. These operating segments are monitored by the Board of Directors and strategic decisions are made on the basis of segmental operating results.

Operating segments combined under "Other" represent Group costs, the central support function and consolidation adjustments.

The Group balance sheet and Cashflow is considered at a Group level as presented in the financial statements.

	Projects £000	Supply chain £000	Other £000	Total £000
30 June 2020				
Revenue	53,170	20,263	271	73,704
Depreciation	(47)	-	(73)	(120)
Exceptional administrative expenses	-	(10)	(622)	(632)
Other costs	(49,722)	(18,413)	(8,789)	(76,924)
Operating profit/(loss)	3,401	1,840	(9,213)	(3,972)
Impairment	-	-	(7,800)	(7,800)
Interest	-	-	(4,981)	(4,981)
Tax	-	-	736	736
Profit/(loss) after tax	3,401	1,840	(21,258)	(16,017)
	Projects £000	Supply chain £000	Other £000	Total £000
30 June 2019				
Revenue	30,347	19,934	(2,211)	48,070
Depreciation	-	-	(27)	(27)
Exceptional administrative costs	-	-	(611)	(611)
Other costs	(27,049)	(17,775)	(4,383)	(49,207)
Operating profit/(loss)	3,298	2,159	(7,232)	(1,775)
Interest	-	-	(1,690)	(1,690)
Tax	-	-	17	17
Profit/(loss) after tax	3,298	2,159	(8,905)	(3,448)

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****6. Other operating income**

	2020 £000	2019 £000
Coronavirus Job Retention Scheme income	651	-

7. Operating loss

The operating loss is stated after charging:

	2020 £000	2019 £000
Exchange differences	100	(16)
Other operating lease rentals	1,036	740
Depreciation	120	27
Amortisation of intangible fixed assets	5,030	3,980

8. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	65	52

Fees payable to the Group's auditor in respect of:

Taxation compliance services	15	9
Other services relating to taxation	50	-
All other services	6	-
	71	9

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****9. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Wages and salaries	13,822	10,954	98	87
Social security costs	970	908	3	4
Cost of defined contribution scheme	541	410	-	-
	15,333	12,272	101	91

The average monthly number of employees, including the directors, during the year was as follows. The employees of the Company were all directors of which 1 (2019:2) were remunerated by the Company :

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Directors and staff	323	261	7	7

10. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	558	345
Company contributions to defined contribution pension schemes	33	22
	591	367

During the year retirement benefits were accruing to 3 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,000 (2019 - £154,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,000 (2019 - £14,000).

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****11. Interest payable and similar expenses**

	2020 £000	2019 £000
Bank interest payable	146	43
Interest payable on loan notes	4,830	1,647
Finance leases and hire purchase contracts	5	-
	<u>4,981</u>	<u>1,690</u>

12. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	(168)	303
Adjustments in respect of previous periods	(751)	(9)
	<u>(919)</u>	<u>294</u>
Foreign tax		
Foreign tax on income for the year	221	136
	<u>221</u>	<u>136</u>
Total current tax	<u>(698)</u>	<u>430</u>
Deferred tax		
Origination and reversal of timing differences - UK entities	(91)	(447)
Origination and reversal of timing differences - overseas entities	53	-
Total deferred tax	<u>(38)</u>	<u>(447)</u>
Taxation on loss on ordinary activities	<u>(736)</u>	<u>(17)</u>

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Loss on ordinary activities before tax	(16,753)	(3,465)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(3,183)	(658)
Effects of:		
Expenses not deductible for tax purposes	2,899	643
Deferred tax asset not recognised in prior year realised during year	(38)	(48)
Higher rate taxes on overseas earnings	178	55
Adjustments to tax charge in respect of prior periods	(772)	(9)
Change in tax rates	242	-
Other timing differences leading to a decrease in taxation	(62)	-
Total tax credit for the year	(736)	(17)

13. Exceptional items

	2020 £000	2019 £000
Costs relating to acquisition	76	318
Costs relating to restructuring	556	293
	632	611

14. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £7,694,000 (2019 - loss £2,104,000).

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****15. Intangible assets****Group**

	Customer relationships £000	Order backlog £000	Software £000	Goodwill £000	Technology based £000	Total £000
Cost						
At 1 July 2019	15,036	919	33	14,825	775	31,588
Additions	-	-	-	25,017	-	25,017
Reassessment of contingent consideration	-	-	-	(2,500)	-	(2,500)
At 30 June 2020	15,036	919	33	37,342	775	54,105
Amortisation						
At 1 July 2019	1,880	919	1	2,038	194	5,032
Charge for the year	1,504	-	11	3,360	155	5,030
Impairment charge	-	-	-	7,800	-	7,800
At 30 June 2020	3,384	919	12	13,198	349	17,862
Net book value						
At 30 June 2020	11,652	-	21	24,144	426	36,243
At 30 June 2019	13,156	-	32	12,787	581	26,556

Following a reassessment during the year, the likelihood of the deferred consideration payment thresholds now being reached is considered to be remote and so the directors believe that the deferred consideration recognised on acquisition (see note 28) will now no longer be paid.

The Directors' current view is that the uncertainty created by the impact of Covid-19 on the food, beverage and leisure sectors at the balance sheet date has resulted in a decision to recognise a reduction in the valuation of the related investment. The Directors remain confident as to the future prospects of this business beyond the current Covid-related situation.

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****16. Tangible fixed assets****Group**

	Freehold property £000	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost						
At 1 July 2019	-	157	7	2	56	222
Additions	-	-	7	-	123	130
Acquisition of subsidiary	515	-	26	117	3	661
Disposals	-	-	-	(12)	-	(12)
At 30 June 2020	<u>515</u>	<u>157</u>	<u>40</u>	<u>107</u>	<u>182</u>	<u>1,001</u>
Depreciation						
At 1 July 2019	-	9	3	2	26	40
Charge for the year	10	52	8	26	24	120
Disposals	-	-	-	(12)	-	(12)
At 30 June 2020	<u>10</u>	<u>61</u>	<u>11</u>	<u>16</u>	<u>50</u>	<u>148</u>
Net book value						
At 30 June 2020	<u>505</u>	<u>96</u>	<u>29</u>	<u>91</u>	<u>132</u>	<u>853</u>
At 30 June 2019	<u>-</u>	<u>148</u>	<u>4</u>	<u>-</u>	<u>30</u>	<u>182</u>

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****17. Fixed asset investments****Company**

	Investments in subsidiary companies £000
Cost	
At 1 July 2019	35,033
Additions	32,180
Reduction due to reassessment of contingent consideration	(2,500)
At 30 June 2020	<u>64,713</u>
Impairment	
Charge for the period	<u>7,800</u>
At 30 June 2020	<u>7,800</u>
Net book value	
At 30 June 2020	<u><u>56,913</u></u>
At 30 June 2019	<u><u>35,033</u></u>

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Sigma GRP Limited	Ordinary	100%
Sigma Retail Solutions Limited*	Ordinary	100%
Sigma M&E Limited*	Ordinary	100%
Sigma Fixtures Solutions*	Ordinary	100%
OTIF Logistics Limited*	Ordinary	100%
Sigma Au Pty Limited*	Ordinary	100%
Sigma Project Services Limited*	Ordinary	100%
Thompson Contracts (Blackpool) Limited	Ordinary	100%

* held via Sigma GRP Limited.

All the companies above were incorporated in England and Wales with a registered office of Unit 9b, Alpine Court, Glasshoughton, Castleford, WF10 4TL except Sigma AU Pty Limited which is incorporated in Australia with a registered office of Level 28, 1 Market Street, Sydney, NSW 2000, Australia.

The Directors' current view is that the uncertainty created by the impact of Covid-19 on the food, beverage and leisure sectors at the balance sheet date has resulted in a decision to recognise a reduction in the valuation of the related investment. The Directors remain confident as to the future prospects of this business beyond the current Covid-related situation.

18. Stocks

	Group 2020 £000	Group 2019 £000
Raw materials and consumables	66	-
Work in progress	3,725	1,722
Stocks	341	467
	4,132	2,189

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****19. Debtors**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade debtors	7,964	9,109	-	-
Amounts owed by group undertakings	-	-	248	988
Other debtors	255	18	5	254
Prepayments and accrued income	1,709	2,796	1	1
Tax recoverable	59	414	-	-
	9,987	12,337	254	1,243

20. Cash and cash equivalents

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	9,822	1,918	1,083	9

21. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Revolving credit facilities	-	1,004	-	1,004
Loan notes	20,168	415	20,168	415
Trade creditors	3,359	1,980	-	33
Amounts owed to group undertakings	-	-	6,866	4,349
Corporation tax	1,475	-	-	-
Other taxation and social security	3,733	825	2	-
Other creditors	126	103	-	-
Accruals and deferred income	8,085	7,090	89	20
	36,946	11,417	27,125	5,821

As detailed in note 33 after the year end the repayment date for the above loan notes was extended until March 2024.

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****22. Creditors: Amounts falling due after more than one year**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Loan notes	22,063	21,208	22,063	21,208

23. Loans

The maturity of loans and other borrowings is as follows.

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Amounts falling due within one year				
Loan notes	20,168	415	20,168	415
Revolving credit facilities	-	1,004	-	1,004
	20,168	1,419	20,168	1,419
Amounts falling due 1-2 years				
Loan notes	22,063	21,208	22,063	21,208
	22,063	21,208	22,063	21,208
	42,231	22,627	42,231	22,627

Revolving credit facility (RCF)

The RCF loan provided by AIB Group (UK) plc is secured by way of a fixed and floating charge over the assets of TH Glasshoughton Bidco Limited and its subsidiaries. The interest rate on the RCF loan at the year end was 4% plus LIBOR.

Secured loan notes

The loan notes are secured by way of a fixed charge over the shares held by TH Glasshoughton Bidco Limited in Sigma GRP Limited and its subsidiaries and Thompson Contracts (Blackpool) Limited.

The interest rate on loan notes with a carrying value (including accrued interest) of £22,496,000 is 8% pa and these loan notes have a maturity date in March 2024.

The interest rate on loan notes with a carrying value (including accrued interest) of £19,913,000 is 20% pa and these loan notes have a maturity date in December 2020.

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****24. Financial instruments**

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Financial assets that are measured at amortised cost	18,041	11,045	1,336	997
Financial liabilities that are measured at amortised cost	51,751	31,800	49,186	27,029

Financial assets that are measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and cash at bank and in hand.

Financial liabilities that are measured at amortised cost comprise trade creditors, revolving credit facility, loan notes, amounts owed to group undertakings, other creditors and accruals.

25. Deferred taxation**Group**

	2020 £000	2019 £000
At beginning of year	(2,305)	(2,752)
Arising on business combinations	(15)	-
Utilised in year	38	447
At end of year	(2,282)	(2,305)

	Group 2020 £000	Group 2019 £000
Arising on business combinations	(2,295)	(2,360)
Short term timing differences	13	55
	(2,282)	(2,305)

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020**26. Share capital**

	2020 £000	2019 £000
Allotted, called up and fully paid		
30,000 (2019 - 30,000) A Ordinary shares of £0.01 each	-	-
45,500 (2019 - 45,500) B Ordinary shares of £0.10 each	5	5
18,064 (2019 -) B1 Ordinary shares of £0.10 each	2	-
14,500 (2019 - 14,000) C1 Ordinary shares of £0.01 each	-	-
10,000 (2019 - 10,000) C2 Ordinary shares of £0.01 each	-	-
	<hr/>	<hr/>
	7	5
	<hr/>	<hr/>

During the year 18,064 B1 Ordinary shares of £0.10 each were issued in a share for share exchange as part of the acquisition of Thompson Contracts (Blackpool) Limited (see note 28) with a value of £7,500,000.

During the year 500 C1 Ordinary shares of £0.01 each were issued for £1 per share.

A Ordinary shares have 75% of the voting rights and 26% of the economic rights.

B Ordinary shares have 8.5% of the voting rights and 39% of the economic rights.

B1 Ordinary shares have 11.5% of the voting rights and 15% of the economic rights.

C1 Ordinary shares have no voting rights and 12% of the economic rights.

C2 Ordinary shares have 5% of the voting rights and 8% of the economic rights.

On 29 January 2021 36,040 A Ordinary shares were issued for a total consideration of £191,372.

27. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Merger Reserve

Merger reserve includes any premiums received on the issue of share capital in a share for share exchange.

Profit and loss account

Includes all current and prior periods retained profits and losses.

TH Glasshoughton Bidco Limited**Notes to the Financial Statements****For the Year Ended 30 June 2020****28. Business combinations**

On 12 August 2019 the Group acquired 100% of the issued share capital of Thompson Contracts (Blackpool) Limited.

Acquisition of Thompson Contracts (Blackpool) Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustment £000	Fair value £000
Tangible	661	-	661
	661	-	661
Stocks	1,833	-	1,833
Debtors	6,669	-	6,669
Cash at bank and in hand	3,287	-	3,287
Total assets	12,450	-	12,450
Due within one year	(5,272)	-	(5,272)
Deferred tax	(15)	-	(15)
Total identifiable net assets	7,163	-	7,163
Goodwill			25,017
Total purchase consideration			32,180

Consideration

	£000
Cash	21,120
Equity instruments	7,500
Contingent consideration	2,500
Directly attributable costs	1,060
Total purchase consideration	32,180

The contingent consideration was payable based on the results of the acquired entity for the year ended 30 June 2020 and the year ending 30 June 2021. On acquisition the level of consideration expected to be paid under this arrangement was £2,500,000. The directors have reassessed the expected levels to be paid as at 30 June 2020 (see note 15).

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

28. Business combinations (continued)**Cash outflow on acquisition**

	£000
Purchase consideration settled in cash, as above	21,120
Directly attributable costs	1,060
	<hr/> 22,180
Less: Cash and cash equivalents acquired	(3,287)
Net cash outflow on acquisition	<hr/> 18,893 <hr/>

The results of Thompson Contracts (Blackpool) Limited since its acquisition are as follows:

	Current period since acquisition £000
Turnover	18,612
	<hr/>
Profit for the year	930
	<hr/>

29. Discontinued operations

During the year Sigma AU Pty Limited ceased trading and so it has been treated as a discontinued operation in the current and prior year.

30. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £541,000 (2019: £410,000). Employer and employee contributions totalling £85,000 (2019: £86,000) were payable to the fund at the reporting date and are included in accruals.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020**31. Commitments under operating leases**

At 30 June 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £000	Group 2019 £000
Not later than 1 year	558	560
Later than 1 year and not later than 5 years	1,568	308
Land and buildings	2,126	868
	Group 2020 £000	Group 2019 £000
Not later than 1 year	217	195
Later than 1 year and not later than 5 years	178	177
Other	395	372

32. Related party transactions

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

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

Anthem Group Limited is a related party by virtue of a common shareholder. During the year there were purchases of £175,000 (2019:£176,550). At the year end a balance of £29,167 (2019: £17,714) remained in accruals (2019 trade creditors).

Eloquence Works Limited became a related party in the year by virtue of it being controlled by a close family member of a director. During the year there were purchases of £13,000. At the year end a balance of £540 remained in trade creditors.

BAS Services Limited and BAS Cleaning Services Limited became a related party in the year by virtue of it being controlled by a close family member of a director. During the year there were purchases of £15,738 and £50,330 respectively. At the year end £nil was owed to/from these companies.

THG S.a.r.l have loan notes issued to the Group with a value at year end of £42,408,000 (2019: £21,623,000). During the year, additional loan notes of £16,800,000 (2019:£nil) were issued and fees paid in respect of these loan notes of £504,000 (2019: £nil). Total interest of £4,830,000 was charged on these loan notes in the year (2019: £1,647,000) and £844,000 of loan note interest was paid in the year (2019: £614,000).

The directors are considered Key Management Personnel and as such their remuneration is disclosed in note 10.

TH Glasshoughton Bidco Limited

Notes to the Financial Statements

For the Year Ended 30 June 2020

33. Subsequent events

On 29 January 2021 the terms of the secured loan notes detailed in note 23 were amended such that all loan notes now carry an interest rate of 9% pa and have a maturity date of March 2024.

34. Controlling party

The directors consider the ultimate controlling party to be funds managed by Three Hills Capital Partners LLP.