

TH Glasshoughton Bidco Limited
Annual Report and Financial Statements
for the Year Ended 30 June 2019
Company number:11218421

TH Glasshoughton Bidco Limited

**Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2019**

	Page
Company Information	1
Group Strategic Report	2
Directors' Report	3
Report of the Independent Auditor	5
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14

TH Glasshoughton Bidco Limited

**Company Information
for the Year Ended 30 June 2019**

DIRECTORS:

C A Bennett
M C Fairey
P N G Graham
J D Haigh
D R L Hill
J Jefferies
M Principe

SECRETARY:

M C Fairey

REGISTERED OFFICE:

Unit 9B
Alpine Court
Glasshoughton
CASTLEFORD
West Yorkshire
WF10 4TL

REGISTERED NUMBER:

11218421 (England and Wales)

AUDITOR:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
No 1 Whitehall Riverside
LEEDS
West Yorkshire
LS1 4BN

TH Glasshoughton Bidco Limited

**Group Strategic Report
for the Year Ended 30 June 2019**

The directors present the Group Strategic Report for the year ended 30 June 2019.

The principal activity of the Company is that of a holding company, with trade being undertaken by Sigma GRP Limited and 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, leisure, office and accommodation.

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

REVIEW OF BUSINESS

The Group was successful in securing new workstreams with existing customers and also gaining a number of new customers. The Group has continued to focus on cash generation, with particular focus on working capital requirements to build reserves for further investment in business. The Directors were satisfied with the progress and performance of the business against a difficult trading backdrop.

The Group acquired Thompson Contracts (Blackpool) Limited ("Thompson") on 12 August 2019. Thompson is a specialist shopfitter, refurbishment and building contractor operating across a range of end markets including Quick Service, Restaurants and Bars, Retail and Hotels.

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 the major customers which the Group supports. The Group actively seeks to manage this risk by diversifying across an increasingly large number of customers.

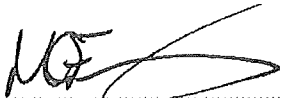
FINANCIAL KEY PERFORMANCE INDICATORS

The Group generated a consolidated loss for the year, after taxation of £3,448,000. The net assets of the Group at 30 June 2019 were £8,252,000.

The Directors consider the Group's KPI's to be turnover and gross profit. The results for the year ended 30 June 2019 are detailed below:

	Year ended 30 Jun 2019	5 months to 30 Jun 2018
	£'000	£'000
Turnover	48,070	14,689
Gross profit	12,373	3,848

ON BEHALF OF THE BOARD:



.....
M C Fairey - Director

Date: 23/12/19

TH Glasshoughton Bidco Limited

**Directors' Report
for the Year Ended 30 June 2019**

The directors present their report together with the financial statements for the year ended 30 June 2019.

DIVIDENDS

The directors do not recommend a dividend for the year.

DIRECTORS

The directors who have held office during the year were:

C A Bennett

M C Fairey - appointed 31 January 2019

J D Haigh

M J Hancox - appointed 9 July 2018, resigned 31 August 2019

J Jefferies

M Prencipe

P N G Graham and D R L Hill were appointed as directors on 5 November 2019.

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.

GOING CONCERN

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.

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 financial year to 30 June 2020.

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.

EMPLOYEE INVOLVEMENT

Employees are kept regularly informed on matters affecting them and on matters affecting the trading Companies' performance through a variety of communication tools including the Company 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 aptitudes 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

TH Glasshoughton Bidco Limited

**Directors' Report
for the Year Ended 30 June 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

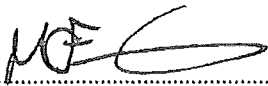
SUBSEQUENT EVENTS

Subsequent to the year end, on 12 August 2019, TH Glasshoughton Bidco Limited acquired 100% of the share capital of Thompson Contracts (Blackpool) Limited for an initial consideration of £22.5m, with further consideration contingent on future events. The initial consideration was funded through £16.8m of additional loan notes issued to Three Hill Capital Partners LLP.

AUDITOR

The auditor, Grant Thornton UK LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
M C Faurey - Director

Date: 23/12/19

Report of the Independent Auditors 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 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated 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 of the Parent Company affairs as at 30 June 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the 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.

**Report of the Independent Auditors to the Members of
TH Glasshoughton Bidco Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Wood (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
LEEDS

Date: 23/12/19

TH Glasshoughton Bidco Limited
Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2019

	Notes	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
TURNOVER	4	48,070	14,689
Cost of sales		<u>(35,697)</u>	<u>(10,841)</u>
GROSS PROFIT		12,373	3,848
Administrative expenses		(13,537)	(3,394)
Exceptional costs	9	(611)	(967)
Total administrative expenses		<u>(14,148)</u>	<u>(4,361)</u>
OPERATING LOSS	7	(1,775)	(513)
Interest payable	10	<u>(1,690)</u>	<u>(424)</u>
LOSS BEFORE TAXATION		(3,465)	(937)
Tax on loss	11	<u>17</u>	<u>(150)</u>
LOSS FOR THE FINANCIAL YEAR		(3,448)	(1,087)
OTHER COMPREHENSIVE INCOME			
Foreign exchange		<u>(13)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(3,461)</u>	<u>(1,087)</u>
Loss attributable to: Owners of the parent		<u>(3,448)</u>	<u>(1,087)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(3,461)</u>	<u>(1,087)</u>

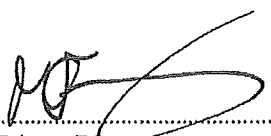
The notes form part of these financial statements

TH Glasshoughton Bidco Limited (Registered number: 11218421)

Consolidated Statement of Financial Position
30 June 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Intangible assets	13	26,556	31,991
Tangible assets	14	<u>182</u>	<u>20</u>
		<u>26,738</u>	<u>32,011</u>
CURRENT ASSETS			
Stocks	16	2,189	4,335
Debtors	17	12,337	10,917
Cash at bank		<u>1,918</u>	<u>1,724</u>
		16,444	16,976
CREDITORS			
Amounts falling due within one year	18	<u>(11,417)</u>	<u>(12,659)</u>
NET CURRENT ASSETS		<u>5,027</u>	<u>4,317</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,765	36,328
CREDITORS			
Amounts falling due after more than one year	19	(21,208)	(21,868)
PROVISIONS FOR LIABILITIES	23	<u>(2,305)</u>	<u>(2,752)</u>
NET ASSETS		<u>8,252</u>	<u>11,708</u>
CAPITAL AND RESERVES			
Called up share capital	24	5	5
Share premium	25	39	34
Merger reserve	25	12,756	12,756
Profit and loss account	25	<u>(4,548)</u>	<u>(1,087)</u>
SHAREHOLDERS' FUNDS		<u>8,252</u>	<u>11,708</u>

The financial statements were approved by the Board of Directors on 23/12/19 and were signed on its behalf by:


M C Fahey - Director

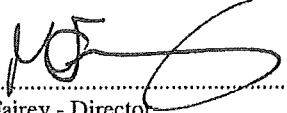
The notes form part of these financial statements

TH Glasshoughton Bidco Limited (Registered number: 11218421)

Company Statement of Financial Position
30 June 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	15	35,033	36,521
CURRENT ASSETS			
Debtors	17	1,243	176
Cash at bank		<u>9</u>	<u>-</u>
		1,252	176
CREDITORS			
Amounts falling due within one year	18	<u>(5,821)</u>	<u>(3,474)</u>
NET CURRENT LIABILITIES		<u>(4,569)</u>	<u>(3,298)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		30,464	33,223
CREDITORS			
Amounts falling due after more than one year	19	<u>(21,208)</u>	<u>(21,868)</u>
NET ASSETS		<u>9,256</u>	<u>11,355</u>
CAPITAL AND RESERVES			
Called up share capital	24	5	5
Share premium	25	39	34
Merger reserve	25	12,756	12,756
Profit and loss account	25	<u>(3,544)</u>	<u>(1,440)</u>
SHAREHOLDERS' FUNDS		<u>9,256</u>	<u>11,355</u>
Company's loss for the financial year		<u>(2,104)</u>	<u>(1,440)</u>

The financial statements were approved by the Board of Directors on 23/12/19 and were signed on its behalf by:


M C Fairey - Director

The notes 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 £'000	Merger reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Changes in equity					
Loss for the period	-	-	-	(1,087)	(1,087)
Total comprehensive income	-	-	-	(1,087)	(1,087)
Issue of share capital	5	34	12,756	-	12,795
Total transactions with owners	5	34	12,756	-	12,795
Balance at 30 June 2018	5	34	12,756	(1,087)	11,708
Changes in equity					
Loss for the year	-	-	-	(3,448)	(3,448)
Foreign exchange	-	-	-	(13)	(13)
Total comprehensive income	-	-	-	(3,461)	(3,461)
Issue of share capital	-	5	-	-	5
Total transactions with owners	-	5	-	-	5
Balance at 30 June 2019	5	39	12,756	(4,548)	8,252

The notes 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 £'000	Share premium £'000	Merger reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Changes in equity					
Loss for the period	-	-	-	(1,440)	(1,440)
Total comprehensive income	-	-	-	(1,440)	(1,440)
Issue of share capital	5	34	12,756	-	12,795
Total transactions with owners	5	34	12,756	-	12,795
Balance at 30 June 2018	5	34	12,756	(1,440)	11,355
Changes in equity					
Loss for the year	-	-	-	(2,104)	(2,104)
Total comprehensive income	-	-	-	(2,104)	(2,104)
Issue of share capital	-	5	-	-	5
Total transactions with owners	-	5	-	-	5
Balance at 30 June 2019	5	39	12,756	(3,544)	9,256

The notes form part of these financial statements

TH Glasshoughton Bidco Limited
Consolidated Statement of Cash Flows
for the Year Ended 30 June 2019

		Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Cash flows from operating activities			
Cash generated from/ (used for) operations	1	2,139	(1,554)
Tax paid		<u>(1,073)</u>	<u>(385)</u>
Net cash from operating activities		<u>1,066</u>	<u>(1,939)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(33)	-
Purchase of tangible fixed assets		(189)	-
Acquisition of subsidiary (net of cash acquired)		<u>-</u>	<u>(17,537)</u>
Net cash from investing activities		<u>(222)</u>	<u>(17,537)</u>
Cash flows from financing activities			
Bank loan drawdown		-	1,000
Loan notes issued		-	20,170
Proceed of share issue		5	34
Interest paid		<u>(655)</u>	<u>(4)</u>
Net cash from financing activities		<u>(650)</u>	<u>21,200</u>
Increase in cash and cash equivalents		<u>194</u>	<u>1,724</u>
Cash and cash equivalents at beginning of year	2	<u>1,724</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u><u>1,918</u></u>	<u><u>1,724</u></u>

The notes form part of these financial statements

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 June 2019**

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

	Year ended 30 June 2019	5 months to 30 June 2018
	£'000	£'000
Loss before taxation	(3,465)	(937)
Depreciation	27	13
Amortisation of intangible assets	3,980	1,052
Interest payable	<u>1,690</u>	<u>424</u>
	2,232	552
Decrease/(increase) in stocks	2,146	(3,684)
(Increase)/decrease in trade and other debtors	(1,006)	313
(Decrease)/increase in trade and other creditors	<u>(1,233)</u>	<u>1,265</u>
Cash generated/ (outflow) from operations	<u><u>2,139</u></u>	<u><u>(1,554)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed in the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	30 June 2019	30 June 2018
	£'000	£'000
Cash and cash equivalents	<u><u>1,918</u></u>	<u><u>1,724</u></u>

The notes form part of these financial statements

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2019**

1. STATUTORY INFORMATION

TH Glasshoughton Bidco Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 9b, Alpine Court, Glasshoughton, Castleford, WF10 4TL. The nature of the Group's operations and principal activities are outlined in the Group Strategic Report.

2. ACCOUNTING POLICIES

Basis of preparing the 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 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 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland": the requirements of Section 7 Statement of Cash Flows.

The following principal accounting policies have been applied:

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 value 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.

Going concern

The financial statements have been prepared on the going concern basis. Based on the forecasts prepared and facilities available the Directors have 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.

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

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:

Sales 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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives are as follows:

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

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirers interest in the fair value of the Group's identifiable assets and liabilities at the date of acquisition.

Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment. Goodwill is amortised on a straight-line basis over its useful economic life of 10 years. Amortisation is charged to the Statement of Comprehensive Income within administrative expenses.

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

2. ACCOUNTING POLICIES - continued

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 Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined as 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.

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.

Plant and machinery	- 20%
Short leasehold improvements	- 33%
Motor vehicles	- 33%
Office equipment	- 20%

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 the Consolidated Statement of Comprehensive Income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks and work-in-progress

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. Work in progress is the recognition of margin on costs incurred on an ongoing basis for jobs not yet complete.

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 the Consolidated Statement of Comprehensive Income.

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, positive fixed rate loan notes, loans to related parties and investments in non-puttable 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 and 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 financed at a rate of interest that is not a market rate or in the case of an out-right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow, discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

Research and development

Research and development expenditure is written off in the period in which it is incurred.

Foreign currency translation

Functional and presentation currency

The 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 date 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 the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

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.

Pension costs and other post-retirement benefits

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays a fixed contribution 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 the Consolidated Statement of Comprehensive Income 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 Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

2. ACCOUNTING POLICIES - continued

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.

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 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.

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 rate method.

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.

Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

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 the Statement of Comprehensive Income 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.

Operating leases

Rentals payable under operating leases are charged to the Consolidated Statement of Comprehensive income on a straight-line basis over the lease term.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material due to either their size or nonrecurring nature.

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

3. CRITICAL ACCOUNTING JUDGEMENTS 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 Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Group.

An analysis of turnover by geographical market is given below:

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
United Kingdom	38,708	12,810
Europe	2,496	579
Rest of the world	<u>6,866</u>	<u>1,300</u>
	<u>48,070</u>	<u>14,689</u>

5. OPERATING SEGMENTS

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.

	Year ended 30 June 2019 £'000				5 months to 30 June 2018 £'000			
	Projects	Supply chain	Other	Total	Projects	Supply chain	Other	Total
Revenue	30,347	19,934	(2,211)	48,070	10,084	4,766	(161)	14,689
Depreciation	-	-	(27)	(27)	-	-	(13)	(13)
Exceptional admin costs	-	-	(611)	(611)	-	-	(967)	(967)
Other costs	(27,049)	(17,775)	(4,383)	(49,207)	(8,786)	(4,059)	(1,377)	(14,222)
Operating profit	3,298	2,159	(7,232)	(1,775)	1,298	707	(2,518)	(513)
Interest	-	-	(1,690)	(1,690)	-	-	(424)	(424)
Tax	-	-	17	17	-	-	(150)	(150)
Profit after tax	3,298	2,159	(8,905)	(3,448)	1,298	707	(3,092)	(1,087)

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

6. EMPLOYEES AND DIRECTORS

	Year ended 30 June 2019	5 months to 30 June 2018
	£'000	£'000
Wages and salaries	10,954	2,220
Social security costs	908	176
Other pension costs	<u>410</u>	<u>89</u>
	<u>12,272</u>	<u>2,485</u>

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

	Year ended 30 June 2019	5 months to 30 June 2018
Directors and staff	<u>261</u>	<u>246</u>

	Year ended 30 June 2019	5 months to 30 June 2018
	£'000	£'000
Directors' remuneration	345	45
Directors' pension contributions to money purchase schemes	<u>22</u>	<u>3</u>

During the year retirement benefits were accruing to 2 directors (2018 - 1) in respect of a defined contribution pension scheme.

Information regarding the highest paid director for the year ended 30 June 2019 is as follows:

	Year ended 30 June 2019	5 month to 30 June 2018
	£'000	£'000
Emoluments	154	36
Pension contributions to money purchase schemes	<u>14</u>	<u>3</u>

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

7. OPERATING LOSS

The operating loss is stated after charging:

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Depreciation	27	13
Amortisation of intangible assets	3,980	1,052
Operating lease rentals	<u>740</u>	<u>182</u>

8. AUDITORS' REMUNERATION

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Fees payable to the Group's auditor for the audit of the Group and subsidiary financial statements	<u>52</u>	<u>53</u>

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

Taxation compliance services	<u>9</u>	<u>15</u>
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Audit and tax fees for the Group are wholly borne by Sigma Retail Solutions Limited.

9. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Costs relating to acquisition	318	907
Costs relating to restructuring	293	-
Costs relating to financing	<u>-</u>	<u>60</u>
	<u>611</u>	<u>967</u>

10. INTEREST PAYABLE

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Interest payable on bank loans and other borrowings	43	4
Interest payable on loan notes	<u>1,647</u>	<u>420</u>
	<u>1,690</u>	<u>424</u>

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

11. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Current tax:		
UK corporation tax	303	209
Foreign tax	136	40
Overprovision in prior year	<u>(9)</u>	<u>-</u>
Total current tax	430	249
Deferred tax	<u>(447)</u>	<u>(99)</u>
Tax on loss	<u><u>(17)</u></u>	<u><u>150</u></u>

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Year ended 30 June 2019 £'000	5 months to 30 June 2018 £'000
Loss before tax	<u>(3,465)</u>	<u>(937)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(658)	(178)
Effects of:		
Expenses not deductible for tax purposes	643	312
Higher rate taxes on overseas earnings	55	16
Adjustment in respect of prior period	(9)	-
Deferred tax asset not recognised in prior year realised during the year	<u>(48)</u>	<u>-</u>
Total tax (credit)/charge	<u><u>(17)</u></u>	<u><u>150</u></u>

12. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these financial statements. The Parent Company generated a loss of £2,104,000 (2018: £1,440,000) during the year.

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

13. INTANGIBLE FIXED ASSETS

Group						
	Goodwill	Customer relationships	Order backlog	Technology based	Software	Total
COST	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2018	16,313	15,036	919	775	-	33,043
Additions	-	-	-	-	33	33
Reassessment of deferred consideration	(1,488)	-	-	-	-	(1,488)
At 30 June 2019	14,825	15,036	919	775	33	31,588
AMORTISATION						
At 1 July 2018	407	376	230	39	-	1,052
Amortisation for year	1,631	1,504	689	155	1	3,980
At 30 June 2019	2,038	1,880	919	194	1	5,032
NET BOOK VALUE						
At 30 June 2019	12,787	13,156	-	581	32	26,556
At 30 June 2018	15,906	14,660	689	736	-	31,991

*Following a reassessment during the year, the likelihood of the deferred consideration payment thresholds being reached is now considered to be remote and so the directors believe that no deferred consideration is now due.

14. TANGIBLE FIXED ASSETS

Group					
	Short leasehold	Plant and machinery	Motor vehicles	Office equipment	Totals
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 July 2018	-	4	2	27	33
Additions	157	3	-	29	189
At 30 June 2019	157	7	2	56	222
DEPRECIATION					
At 1 July 2018	-	1	1	11	13
Charge for year	9	2	1	15	27
At 30 June 2019	9	3	2	26	40
NET BOOK VALUE					
At 30 June 2019	148	4	-	30	182
At 30 June 2018	-	3	1	16	20

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £'000
COST	
At 1 July 2018	36,521
Reduction due to reassessment of contingent consideration (note 13)	<u>(1,488)</u>
At 30 June 2018	<u>35,033</u>
NET BOOK VALUE	
At 30 June 2019	<u>35,033</u>
At 30 June 2018	<u>36,521</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of share	Holding	Principal activity
Sigma GRP Limited	Ordinary	100%	Holding company for a group providing supply chain solutions

The Company is incorporated in England and Wales with a registered office of Unit 9b, Alpine Court, Glasshoughton, Castleford, WF10 4TL.

The following were subsidiary undertakings of Sigma GRP Limited:

Name	Class of share	Holding	Principal activity
Sigma M&E Limited (formerly Relay Electrical Contractors Limited)	Ordinary	100%	Electrical contractors
OTIF Logistics Limited	Ordinary	100%	Supply chain solutions
Sigma Fixtures Solutions Limited	Ordinary	100%	Supply chain solutions
Sigma Retail Solutions Limited	Ordinary	100%	Supply chain solutions
Sigma AU Pty Limited	Ordinary	100%	Supply chain solutions
Sigma Project Services Limited	Ordinary	100%	Dormant

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.

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

16. STOCKS

	Group	
	2019	2018
	£'000	£'000
Stocks	467	348
Work-in-progress	<u>1,722</u>	<u>3,987</u>
	<u>2,189</u>	<u>4,335</u>

No impairment was charged during the year (2018: nil).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	9,109	9,364	-	-
Amounts owed by group undertakings	-	-	988	-
Other debtors	18	17	-	-
Corporation tax debtor	414	-	-	-
Taxation and social security	-	-	254	176
Prepayments and accrued income	<u>2,796</u>	<u>1,536</u>	<u>1</u>	<u>-</u>
	<u>12,337</u>	<u>10,917</u>	<u>1,243</u>	<u>176</u>

No impairment was charged during the year (2018: nil).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 20)	1,004	1,000	1,004	1,000
Trade creditors	1,980	2,247	33	-
Loan notes	415	210	415	210
Amounts owed to group undertakings	-	-	4,349	2,177
Corporation tax	-	221	-	-
Taxation and social security	825	664	-	-
Other creditors	103	124	-	-
Accruals and deferred income	<u>7,090</u>	<u>8,193</u>	<u>20</u>	<u>87</u>
	<u>11,417</u>	<u>12,659</u>	<u>5,821</u>	<u>3,474</u>

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

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Loan notes	21,208	20,380	21,208	20,380
Deferred consideration	<u>-</u>	<u>1,488</u>	<u>-</u>	<u>1,488</u>
	<u>21,208</u>	<u>21,868</u>	<u>21,208</u>	<u>21,868</u>

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans	1,004	1,000	1,004	1,000
Loan notes	<u>415</u>	<u>210</u>	<u>415</u>	<u>210</u>
	<u>1,419</u>	<u>1,210</u>	<u>1,419</u>	<u>1,210</u>
Amounts falling due after one year:				
Loan notes	<u>21,208</u>	<u>20,380</u>	<u>21,208</u>	<u>20,380</u>

Secured loan

The Revolving Credit Facility (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 is 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. The interest rate on the loan notes is 8% and the maturity date is March 2024.

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	2019	2018
	£'000	£'000
Not later than 1 year	560	551
Later than 1 year and not later than 5 years	<u>308</u>	<u>854</u>
Land and buildings	<u>868</u>	<u>1,405</u>
	2019	2018
	£'000	£'000
Not later than 1 year	282	124
Later than 1 year and not later than 5 years	<u>330</u>	<u>172</u>
Other	<u>612</u>	<u>296</u>

TH Glasshoughton Bidco Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

22. FINANCIAL INSTRUMENTS

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Financial assets				
Financial assets that are measured at amortised cost	<u>11,045</u>	<u>11,105</u>	<u>997</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>31,800</u>	<u>33,642</u>	<u>27,029</u>	<u>25,342</u>

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 measured at amortised cost comprise trade creditors, bank loans and overdraft, loan notes, amounts owed to group undertakings, other creditors and accruals.

23. PROVISIONS FOR LIABILITIES

	Group	
	2019 £'000	2018 £'000
Deferred tax	<u>2,305</u>	<u>2,752</u>
Group		
		Deferred tax £'000
Balance at 1 July 2018		2,752
Utilised during year		<u>(447)</u>
Balance at 30 June 2019		<u>2,305</u>
At end of year		
	Group 2019 £'000	Group 2018 £'000
Arising on business combination	2,360	2,806
Short term timing differences	<u>(55)</u>	<u>(54)</u>
	<u>2,305</u>	<u>2,752</u>

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	£'000
30,000	A Ordinary	£0.01	-
45,500	B Ordinary	£0.10	5
13,500	C1 Ordinary	£0.01	-
10,000	C2 Ordinary	£0.01	-
			<u>5</u>

During the year the company issued 5,250 C1 Ordinary shares with no voting rights for cash consideration of £5,250.

A Ordinary shares hold 75% voting rights, 30.3% of economic rights,

B Ordinary shares hold 20% voting rights, 46.0% economic rights,

C1 Ordinary shares hold no voting rights, 13.6% economic rights,

C2 Ordinary shares hold 5% voting rights, 10.1% economic rights.

25. RESERVES

Profit and loss account

Includes all current and prior periods retained profit and losses.

Share premium

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.

26. PENSION COMMITMENTS

The Group operates a defined contributions 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 £410,000 (2018: £89,000). Contributions totalling £86,000 (2018: £56,000) were payable to the fund at the reporting date and are included in accruals.

27. RELATED PARTY DISCLOSURES

As permitted by FRS 102 related party transactions with wholly owned members of the TH Glasshoughton Bidco Limited group have not been disclosed.

Anthem Group Limited is a related party by virtue of a common shareholder. During the period there were purchases of £176,550 (2018: £44,009). At period end a balance of £17,714 (2018: £14,678) remained in trade creditors.

THG S.a.r.l issued loan notes to the Group with a value at year end of £21,623,000 (2018: £20,590,000). During the period, interest of £1,647,000 (2018: £420,000) was charged. At the period end the balance of £1,033,000 (2018: £420,000) interest remained in the loan note creditor.

The directors are considered Key Management Personnel and as such their remuneration is disclosed in note 6.

28. ULTIMATE CONTROLLING PARTY

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

TH Glasshoughton Bidco Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019**

29. SUBSEQUENT EVENTS

Subsequent to the year end, on 12 August 2019, TH Glasshoughton Bidco Limited acquired 100% of the share capital of Thompson Contracts (Blackpool) Limited for an initial consideration of £22.5m, with further consideration contingent on future events. The initial consideration was funded through £16.8m of additional loan notes issued to Three Hill Capital Partners LLP.