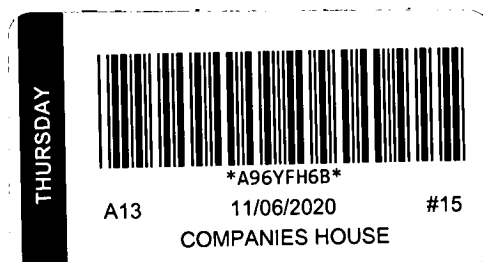




COMPANY REGISTRATION NUMBER: 2267400

**The Banks Group Limited**  
**Financial Statements**  
**29 September 2019**



# The Banks Group Limited

## Financial Statements

Year ended 29 September 2019

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# The Banks Group Limited

## Officers and Professional Advisers

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**The board of directors**

H J Banks  
A Cunningham  
R J Dunkley  
S Fisher  
C J Gill  
G A Styles

**Company secretary**

D J Martin

**Registered office**

Inkerman House  
St John's Road  
Meadowfield  
Durham  
DH7 8XL

**Independent auditor**

PricewaterhouseCoopers LLP  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

**Bankers**

HSBC Bank plc  
Floor 3  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

# The Banks Group Limited

## Strategic Report

Year ended 29 September 2019

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The directors present the Strategic Report for the year ended 29 September 2019.

### Review of Business

The result for the year is derived from the recharge of administration costs, administration costs incurred and group and related party interest payable and receivable. The state of the company's affairs at 29 September 2019 was satisfactory and no significant changes in the company's business were envisaged.

### Key performance indicators

The company's key financial performance indicators for the year were:

	2019	2018
	£000	£000
Turnover	7,802	7,081
Operating loss	(961)	(1,151)
Profit/(loss) for the financial year	4,260	(833)

### Results, trading and dividend

The results for the year and the financial position of the company are as shown in the attached financial statements. A dividend of £3,748,000 (2018: £3,748,000) was paid in the year.

### Future developments

No significant changes to the activities of the company are planned in the foreseeable future.

### Principal risks and uncertainties

#### Operational risk - UK withdrawal from the EU

There is uncertainty over the nature of the withdrawal of the UK from the European Union. If the ongoing uncertainty or the withdrawal itself results in a loss of business for the company's property subsidiaries or delays in obtaining component parts for the company's mining, construction, transport and wind farm subsidiaries, then this may impact on the ongoing ability of them to generate future sales. There is not expected to be a material impact on the company itself.

This report was approved by the board of directors on 5 February 2020 and signed by order of the board by:

  
D.J. Martin  
Company Secretary

# The Banks Group Limited

## Directors' Report

Year ended 29 September 2019

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The directors present their report and the Financial Statements of the company for the year ended 29 September 2019.

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 to set out in the Strategic Report the following which the directors believe to be of strategic importance:

- Review of the business
- Principal risks and uncertainties
- Future developments

### Principal activities

The principal activity of the Company during the year was of a holding and management company.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

H J Banks  
A Cunningham  
R J Dunkley  
S Fisher  
C J Gill  
G A Styles

D J Martin is an alternate director.

### Dividends

Equity dividends of £3,748,000 (2018: £3,748,000) were paid in the year.

# The Banks Group Limited

## Directors' Report *(continued)*

Year ended 29 September 2019

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### Other matters

#### Financial risk management

#### Liquidity risk

The Company relies in part on bank loan finance to fund the operations of its subsidiaries, actively maintaining a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

#### Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# The Banks Group Limited

## Directors' Report *(continued)*

Year ended 29 September 2019

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### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

PricewaterhouseCoopers LLP were appointed auditors of the Company during the year and have expressed their willingness to continue in office.

This report was approved by the board of directors on 5 February 2020 and signed by order of the board by:



D.J. Martin  
Company Secretary

Company registration number: 2267400

## Independent Auditor's Report to the Members of The Banks Group Limited

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### Report on the audit of the financial statements

#### Opinion

In our opinion, The Banks Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 29 September 2019; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.



## **Independent Auditor's Report to the Members of The Banks Group Limited *(continued)***

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 29 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report to the Members of The Banks Group Limited (continued)**

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### *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 an auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

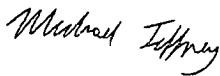
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Michael Jeffrey (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne  
5 February 2020

# The Banks Group Limited

## Income Statement

Year ended 29 September 2019

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	Note	2019 £000	2018 £000
<b>Turnover</b>	<b>4</b>	7,802	7,081
<b>Gross profit</b>		<u>7,802</u>	<u>7,081</u>
Administrative expenses		(8,763)	(8,231)
<b>Operating loss</b>	<b>5</b>	<u>(961)</u>	<u>(1,150)</u>
Income from shares in group undertakings	<b>14</b>	5,000	—
<b>Profit/(loss) before interest and tax</b>		<u>4,039</u>	<u>(1,150)</u>
Finance income	<b>9</b>	3,321	3,693
Finance costs	<b>10</b>	(3,283)	(3,380)
<b>Profit/(loss) before tax</b>		<u>4,077</u>	<u>(837)</u>
Tax on profit/(loss)	<b>11</b>	183	4
<b>Profit/(loss) for the financial year</b>		<u><u>4,260</u></u>	<u><u>(833)</u></u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above and dividends payable. As such, no statement of comprehensive income has been prepared.

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The notes on pages 12 to 25 form part of these Financial Statements.

# The Banks Group Limited

## Statement of Financial Position

Year ended 29 September 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	13	161	119
Investments	14	20,484	20,484
		<u>20,645</u>	<u>20,603</u>
<b>Current assets</b>			
Debtors	15	87,400	112,762
Cash at bank and in hand		13,470	8,472
		<u>100,870</u>	<u>121,234</u>
<b>Creditors: amounts falling due within one year</b>	16	(113,475)	(134,309)
<b>Net current liabilities</b>		<u>(12,605)</u>	<u>(13,075)</u>
<b>Total assets less current liabilities</b>		<u>8,040</u>	<u>7,528</u>
<b>Net assets</b>		<u>8,040</u>	<u>7,528</u>
<b>Capital and reserves</b>			
Called up share capital	18	2,205	2,205
Capital redemption reserve	19	901	901
Profit and loss account	19	4,934	4,422
<b>Total shareholders' funds</b>		<u>8,040</u>	<u>7,528</u>

These Financial Statements were approved by the board of directors and authorised for issue on 5 February 2020, and are signed on behalf of the board by:



S Fisher  
Director

The notes on pages 12 to 25 form part of these Financial Statements.

# The Banks Group Limited

## Statement of Changes in Equity

Year ended 29 September 2019

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	<b>Total £000</b>
<b>At 1 October 2017</b>	2,205	901	9,003	12,109
Loss for the year	—	—	(833)	(833)
<b>Total comprehensive income for the year</b>	—	—	(833)	(833)
Dividends paid and payable	12	—	(3,748)	(3,748)
<b>Total investments by and distributions to owners</b>	—	—	(3,748)	(3,748)
<b>At 1 October 2018</b>	2,205	901	4,422	7,528
Profit for the year	—	—	4,260	4,260
<b>Total comprehensive income for the year</b>	—	—	4,260	4,260
Dividends paid and payable	12	—	(3,748)	(3,748)
<b>Total investments by and distributions to owners</b>	—	—	(3,748)	(3,748)
<b>At 29 September 2019</b>	<u>2,205</u>	<u>901</u>	<u>4,934</u>	<u>8,040</u>

The notes on pages 12 to 25 form part of these Financial Statements.

# The Banks Group Limited

## Notes to the Financial Statements

Year ended 29 September 2019

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### 1. General information

The Banks Group Limited is a limited company, limited by shares, incorporated in England. The Registered Office is Inkerman House, St. John's Road, Meadowfield, Durham, DH7 8XL.

### 2. Statement of compliance

These Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements are prepared in GBP sterling which is the functional currency of the Company. All amounts are rounded to the nearest thousand unless otherwise stated.

#### (b) Disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirement of Section 11 Basic Financial Instruments paragraphs 11.41 to 11.48(c)
- the requirement of Section 33 Related Party Disclosure paragraphs 33.1A and 33.7

The Group in which the results of the Company are consolidated is Banks Group Holdings Limited. Copies of Banks Group Holdings Limited financial statements can be obtained from its registered office, Inkerman House, St. John's Road, Meadowfield Industrial Estate, Durham, DH7 8XL.

#### (c) Basis of consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Banks Group Holdings Limited, a company registered in England.

#### (d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. It was considered that there were no areas of judgement or uncertainty that would have a significant impact on amounts recognised in the financial statements.

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

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### 3. Accounting policies *(continued)*

#### (e) Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be recognised:

##### Rendering of services

Revenue from the provision of management services is recognised on a straight-line basis over the year.

##### Interest income

Revenue is recognised as interest accrues using the effective interest method.

#### (f) Taxation

Tax is recognised in the income statement and represents the aggregate amount of current and deferred tax in the reporting period.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax. Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the statement of financial position date.

#### (g) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the Income Statement.

#### (h) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

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### 3. Accounting policies *(continued)*

#### (i) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on a straight line basis at rates to write off the cost of assets over their estimated useful lives to their residual value, which are:

Fixtures, fittings and equipment - 3 to 4 years.

#### (j) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### (k) Pensions

The assets of the defined contribution pension schemes are held separately from those of the Group in independently administered funds. Pension contributions are charged to the income statement in the period to which they relate.

#### (l) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

#### (m) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand.

#### (n) Fundamental accounting concept

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due. At the statement of financial position date the company had net current liabilities of £12,605,000 (2018: net current liabilities £13,075,000) and shareholders' funds of £8,040,000 (2018: £7,528,000). There are risks that the directors consider in deciding to prepare the financial statements on a going concern basis such as liquidity risk. The directors have considered the economic strength of Banks Group Holdings Limited and thus the ability of the business to meet its ongoing obligations and of the Group to provide the necessary ongoing financial facilities to the company to support its operations. The directors have satisfied themselves that Banks Group Holdings Limited will provide the necessary level of ongoing financial support if required. Accordingly, the directors are satisfied that it is appropriate for the going concern basis to be used in preparing these financial statements.



# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

### 4. Turnover

Turnover arises from:

	<b>2019</b> <b>£000</b>	2018 £000
Management charges received	<u>7,802</u>	<u>7,081</u>

### 5. Operating loss

Operating loss is stated after charging:

	<b>2019</b> <b>£000</b>	2018 £000
Depreciation of tangible assets (owned assets)	35	50
Impairment of trade debtors	25	551
Operating lease for land and buildings	288	355
Operating lease for motor vehicles	<u>174</u>	<u>293</u>

### 6. Auditor's remuneration

	<b>2019</b> <b>£000</b>	2018 £000
Fees payable for the audit of the financial statements	<u>4</u>	<u>3</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>3</u>	<u>2</u>

### 7. Staff costs

The average monthly number of persons employed by the company during the year, including the directors, amounted to:

	<b>2019</b> <b>No.</b>	2018 No.
Office and management staff	<u>83</u>	<u>82</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2019</b> <b>£000</b>	2018 £000
Wages and salaries	4,869	4,029
Social security costs	527	546
Other pension costs	<u>204</u>	<u>187</u>
	<u>5,600</u>	<u>4,762</u>

# The Banks Group Limited

## Notes to the Financial Statements (continued)

Year ended 29 September 2019

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2019</b>	2018
	<b>£000</b>	£000
Remuneration	1,581	762
Company contributions to defined contribution pension plans	36	43
	<u>1,617</u>	<u>805</u>

Remuneration of the highest paid director in respect of qualifying services:

	<b>2019</b>	2018
	<b>£000</b>	£000
Aggregate remuneration	449	192
Company contributions to defined contribution pension plans	10	16
	<u>459</u>	<u>208</u>

### 9. Finance income

	<b>2019</b>	2018
	<b>£000</b>	£000
Interest from Group undertakings	2,111	1,972
Interest from related parties	1,210	1,721
	<u>3,321</u>	<u>3,693</u>

### 10. Finance costs

	<b>2019</b>	2018
	<b>£000</b>	£000
Dividends paid on shares classed as debt	20	197
Interest due to Group undertakings	3,263	3,183
	<u>3,283</u>	<u>3,380</u>

# The Banks Group Limited

Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

## 11. Tax on profit/(loss)

### Major components of tax expense/(income)

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

	2019 £000	2018 £000
<b>Current tax:</b>		
Corporation tax credit	(186)	(10)
Adjustment in respect of previous periods	(33)	10
Total current tax	<u>(219)</u>	<u>—</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	23	5
Adjustment in respect of previous periods	15	(9)
Effect of changes in tax rates	(2)	—
Total deferred tax (note 17)	<u>36</u>	<u>(4)</u>
<b>Total tax income</b>	<u>(183)</u>	<u>(4)</u>

### Reconciliation of tax expense/(income)

The tax assessed on the profit/(loss) for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £000	2018 £000
Profit/(loss) before tax	<u>4,077</u>	<u>(837)</u>
Profit/(loss) multiplied by the standard rate of tax	775	(159)
Adjustment to tax charge in respect of prior periods	(18)	1
Effect of expenses not deductible for tax purposes	12	154
Effect of income not taxable	(950)	—
Effect of changes in tax rates	(2)	—
Tax on profit/(loss)	<u>(183)</u>	<u>(4)</u>

### Factors that may affect future tax income

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantially enacted on 15 September 2016. A rate of 17% has therefore applied to the deferred tax asset at the Statement of Financial Position date.

# The Banks Group Limited

## Notes to the Financial Statements (continued)

Year ended 29 September 2019

### 12. Dividends

The following dividends were paid during the year:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Equity dividends paid on A ordinary shares:		
Interim for 2019	1,984	–
Final for 2018	1,764	–
Interim for 2018	–	1,984
Final for 2017	–	1,764
	<u>3,748</u>	<u>3,748</u>

### 13. Tangible assets

	<b>Fixtures and fittings</b>
	<b>£000</b>
<b>Cost</b>	
At 30 September 2018	2,078
Additions	77
<b>At 29 September 2019</b>	<u>2,155</u>
<b>Accumulated depreciation</b>	
At 30 September 2018	(1,959)
Charge for the year	(35)
<b>At 29 September 2019</b>	<u>(1,994)</u>
<b>Carrying amount</b>	
<b>At 29 September 2019</b>	<u>161</u>
At 30 September 2018	<u>119</u>

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

### 14. Investments

	Shares in group undertakings £000
<b>Cost</b>	
At 30 September 2018 and 29 September 2019	20,484
<b>Impairment</b>	
At 30 September 2018 and 29 September 2019	—
<b>Carrying amount</b>	
At 30 September 2018 and 29 September 2019	20,484

Details of the investments in which the parent company has an interest of 20% or more of the ordinary share capital are listed below. Principal subsidiary and joint venture companies, their principal activities and country of incorporation at 1 October 2018 were as follows.

#### **100% owned by the company:**

H J Banks and Company Limited - Surface mining - England  
Banks Developments Limited - Holding company - England  
H J Banks (Construction) Limited - Civil engineering - England  
Banks Renewables (HL Holdings) Limited - Holding company - England

#### **100% owned by H J Banks and Company Limited:**

Banks Brothers Transport Limited - Road haulage - England  
H J Banks (Mining) Limited - Dormant - England  
H J Banks (Shotton) Limited - Dormant - England  
Crossco (281) Limited - Site leasing - England

#### **100% owned by Banks Developments Limited:**

Banks Property Limited - Property development - England  
Banks Property Development Limited - Property development - Scotland

#### **100% subsidiary owned by Banks Renewables (HL Holdings) Limited:**

Banks Renewables (HL Finance) Limited - Finance company - England

#### **100% subsidiary owned by Banks Renewables (HL Finance) Limited:**

Banks Renewables (Hook Moor Wind Farm) Limited - Operational wind farm - England  
Banks Renewables (Lambs Hill Wind Farm) Limited - Operational wind farm - England

#### **100% subsidiary owned by Banks Property Developments Limited:**

Banks Property Development (Bathgate) Limited - Property Development - Scotland

# **The Banks Group Limited**

**Notes to the Financial Statements *(continued)***

**Year ended 29 September 2019**

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**50% subsidiary owned by Banks Property Limited:**

Banks Mount Oswald Limited - Dormant - England

**50% joint venture owned by Banks Property Limited:**

Bates Regeneration Limited - Property development - England

During the year the company received dividends of £5,000,000 from H J Banks and Company Limited (2018: £nil)

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

### 15. Debtors

	<b>2019</b>	2018
	<b>£000</b>	£000
Amounts owed by group undertakings	40,801	67,759
Deferred tax asset (note 17)	128	164
Other debtors	45,423	43,767
Prepayments and accrued income	1,048	1,072
	<u>87,400</u>	<u>112,762</u>

### 16. Creditors: amounts falling due within one year

	<b>2019</b>	2018
	<b>£000</b>	£000
Amounts owed to group undertakings	107,422	129,582
Social security and other taxes	2,001	380
Director loan accounts	1,693	2,343
Accruals and deferred income	2,359	2,004
	<u>113,475</u>	<u>134,309</u>

Amounts due to group undertakings are unsecured, accrue interest at 3%, have no fixed date of repayment and are repayable on demand.

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

### 17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019 £000	2018 £000
Included in debtors (note 15)	128	164

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019 £000	2018 £000
Fixed asset timing differences	57	69
Short term timing differences - trading	71	95
	<u>128</u>	<u>164</u>

		<b>£000</b>
As at 30 September 2018		164
Credited to the income statement (note 11)		<u>(36)</u>
As at 29 September 2019		<u>128</u>

### 18. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£000	No.	£000
<b>Amounts presented in equity:</b>				
Ordinary shares of £1 each	2,204,832	2,205	2,204,832	2,205

### 19. Reserves

Capital redemption reserve

This reserve arises from a former group restructuring.

Profit and loss account

This account represents cumulative profits and losses less dividends paid.



# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

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### 20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2019</b>	2018
	<b>£000</b>	£000
Not later than 1 year	404	315
Later than 1 year and not later than 5 years	485	446
Later than 5 years	—	—
	<u>889</u>	<u>761</u>

### 21. Contingent liabilities

The Company has received a number of claims from a former joint venture partner alleging various matters including breaches of agreement in connection with a project undertaken by the Group and damages potentially in excess of £10,000,000 which the directors dispute. The damages sought are varied and it is not possible to reliably determine what the level of any liability could be if the Group was unsuccessful in defending the claims. Accordingly, the directors consider that a provision should not be made in the accounts.

For VAT purposes a Group registration scheme is in operation. Under these arrangements there is a joint and several liability among the companies in the Group for amounts owed to H M Revenue and Customs.

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

### 22. Related party transactions

#### Directors

Current and capital account balances due to directors and related parties of the Company:

	2019 £000	2018 £000
H J Banks	979	1,446
J P Banks	303	368
Mrs J A Banks	411	529

Interest paid on current accounts by the Company:

	2019 £000	2018 £000
H J Banks	11	–
J P Banks	–	–
Mrs J A Banks	4	–

Loan account balances earned interest in the prior year at a rate equivalent to that paid by the Company on its overdraft.

Dividends paid to directors:

Mr H J Banks: £1,717,000 in respect of ordinary shares (2018: £1,717,000).

#### Related party companies

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Related parties are entities with common control of the Company. Transactions entered into and trading balances outstanding as at 29 September are as follows:

	2019 £000	2018 £000
Sales to related parties	2,121	2,358
Amounts owed by related parties	45,142	43,254
Interest payable by related parties	1,210	1,721

Terms and conditions of transactions:

Sales and purchases between related parties are made at normal market prices.

#### Other Group companies

The company has not disclosed transactions with other Group companies, as it has taken advantage of the exemption contained within FRS 102.33.1A on the grounds that its subsidiaries are wholly owned.

# The Banks Group Limited

## Notes to the Financial Statements *(continued)*

Year ended 29 September 2019

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### Key management personnel:

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is shown below:

	<b>2019</b>	2018
	<b>£000</b>	£000
Remuneration	1,986	1,209
Company contributions to defined contribution pension plans	84	89
	<u>2,070</u>	<u>1,298</u>

### 23. Ultimate parent company

The company is a wholly owned subsidiary of Banks Group Holdings Limited, the ultimate holding company, incorporated in England. Banks Group Holdings Limited is the only group of undertakings for which Group financial statements are drawn up. The Group financial statements can be obtained from the registered office. Mr H J Banks is the controlling party by virtue of his controlling interest in the equity share capital of Banks Group Holdings Limited.

### 24. Pension commitments

Group companies contribute to money purchase schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. Pension contributions payable to the funds for the year amounts to £204,000 (2018: £187,000).

Outstanding contributions at the year-end were £12,000 (2018: £59,000).